



2024 Strategic Operating Plan

Village of Pinehurst, North Carolina



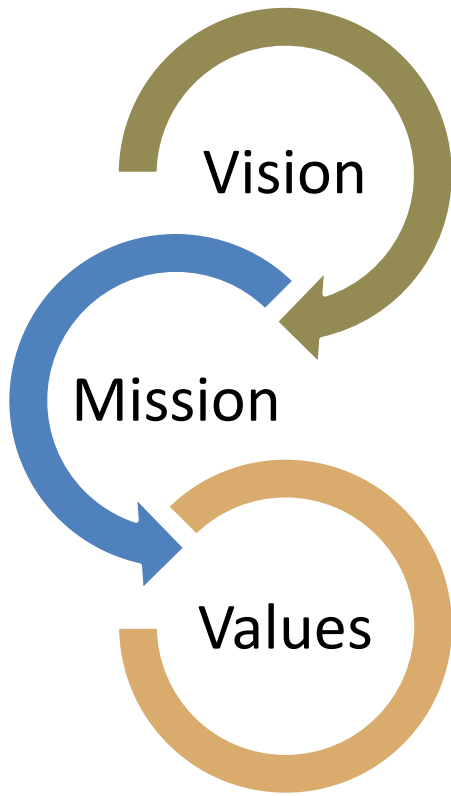
STRATEGIC OPERATING PLAN

FY 2024



VILLAGE COUNCIL

Left to Right: Jane Hogeman, Patrick Pizzella (Mayor Pro-Tem),
John Strickland (Mayor), Lydia Boesch (Treasurer), Jeff Morgan



VISION

The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions.

MISSION

To promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

VALUES

Service, Initiative, Teamwork, and Improvement



VILLAGE OF PINEHURST
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PINEHURST, NC 28374
910.295.1900

www.vopnc.org

www.facebook.com/vopnc

www.twitter.com/vopnc

www.instagram.com/vopnc

VILLAGE SENIOR LEADERSHIP

Village Manager	Jeff Sanborn
Assistant Village Manager	Jeff Batton
Assistant Village Manager	Doug Willardson
Village Clerk	Kelly Chance
Organizational Performance Director	Matthew McKirahan
Financial Services Director	Dana Van Nostrand
Human Resources Director	Angela Kantor
Chief Information Officer	Jason Whitaker
Police Chief	Glen Webb
Fire Chief	Carlton Cole
Planning and Inspections Director	Alex Cameron
Public Services and Engineering Director	Mike Apke
Parks and Recreation Director	Mark Wagner
Library and Archives Director	Audrey Moriarty



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INTRODUCTION

Welcome to the Village of Pinehurst! This Strategic Operating Plan (SOP) document represents the plans of the Village Council and staff to achieve our vision and accomplish our mission. We hope this document will prove to be a valuable tool for Village residents, businesses, visitors, Council, and staff.

Strategic Operating Plans can be very complex and confusing. Should there be any questions regarding information provided in this document, please contact the Financial Services Department at 910.295.1900.

The layout of the document is intended to take the reader from the broadest perspective (consolidated totals, etc.) to a more specific perspective (individual departments, divisions, etc.). Realizing that information needs differ for every reader, the document is divided into sections to make the information easy to locate.

Budget in Brief - The Budget in Brief provides an overview of the FY 2024 Budget that is a component of the Strategic Operating Plan. It helps the reader quickly understand what initiatives and other key elements are included in the annual budget.

Budget Message - In the Budget Message, the Village Manager discusses the proposed annual budget and any outside factors that were used in determining the budgeted expenditures and the revenues needed to cover these expenditures.

About Village Services - This section provides a description of the duties and responsibilities of the different Village departments and divisions.

Strategic Operating Plan Guide - This guide details the steps in preparing and adopting the annual budget, which is a component of the Strategic Operating Plan. A summary of key financial policies affecting the budget process is given. This section also includes the budget calendar, the budget planning phases, and a description of how the process works. Finally, it has a brief description of fund accounting, how the Village's finances are organized, and how to read the department tables contained in the *General Fund* section.

Strategic Priorities - This section provides an overview of the strategic planning process, the Village's Balanced Scorecard (BSC), and also contains the Council's strategic goals and objectives. Key Performance Indicators (KPIs) with short-term and long-term goals on the Village's Balanced Scorecard are also included in this section along with specific Initiative Action Plans (IAPs) aimed at achieving those performance targets.

General Fund - This section includes detailed information about General Fund revenues and assumptions used to determine budgeted amounts. Every Village department or division also appears with individual department profiles and budget summaries. Department goals, objectives, and Key Performance Indicators (KPIs) with short-term and long-term projections are also included. These are the most specific presentations within the document. This section also provides information on debt service and on capital expenditures contained in the current year budget.

Capital Project Funds - Each Capital Project Fund budget is presented separately. This section includes an overview of each capital project and its funding sources.

Five-Year Financial Forecast - This section contains the Village’s long-range financial forecast. The forecast is developed to ensure that adequate financial resources are available to meet future financial obligations. The forecast serves to inform decision makers of the long-term financial implications of the budgetary decisions they are making today.

Capital Improvement Plan (CIP) - The CIP outlines the Village’s plan for the replacement and acquisition of capital assets over the five-year planning period. Capital assets include vehicles, equipment, infrastructure, and new facilities. The Village uses this plan to ensure that these investments are aligned with the Village’s strategic direction.

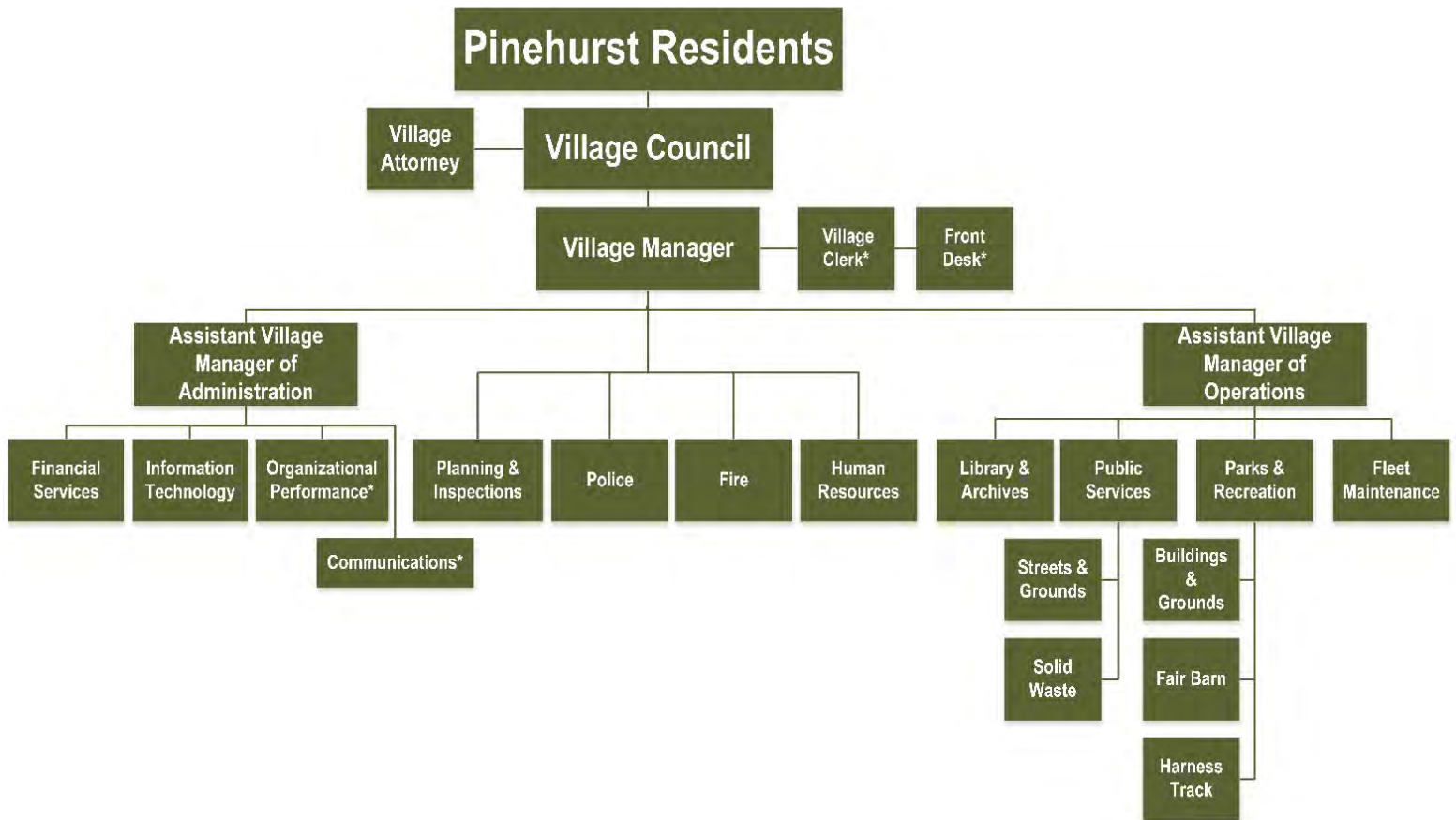
Annual Budget Ordinance - The Budget Ordinance is the legally binding ordinance that establishes the new annual budget.

Budget Glossary - This section includes a list of common terms, acronyms and abbreviations used throughout the document. A detailed definition of these terms is provided to aid the reader in understanding the budget and strategic planning process.

Supplementary Information - This section includes miscellaneous information about the Village of Pinehurst, such as the history of the Village and other relevant economic data.

To find specific information addressed in individual sections, please refer to the *Table of Contents* in the front of the budget document.





*This function is included in the Administration Department for budget purposes. See the *Personnel Classification*



Personnel expenditures comprise 57% of the Village’s General Fund budget. The Personnel Classification Summary represents a five-year trend of staffing by function as well as a snapshot of the FTEs on which the FY 2024 Budget is based.

Fiscal Year 2024 Staffing By Function in Full-Time Equivalentts

Classification Plan Summary	Budgeted FY 2020	Budgeted FY 2021	Budgeted FY 2022	Budgeted FY 2023	FY 2024 Change	Projected FY 2024	Projected FY 2028
General Government							
Administration							
Administration	8.0	8.0	8.5	8.5	-	8.5	8.5
Financial Services	4.0	4.0	5.0	5.0	-	5.0	5.0
Human Resources	2.8	3.0	3.0	3.0	-	3.0	3.0
Fleet Maintenance	3.0	3.0	3.0	3.0	-	3.0	3.0
Buildings and Grounds Maintenance	8.0	8.0	8.0	8.0	-	8.0	8.0
Information Technology	6.0	6.0	6.0	6.0	-	6.0	6.0
Total General Government	31.8	32.0	33.5	33.5	-	33.5	33.5
Public Safety							
Police	31.3	31.3	31.3	33.3	0.7	34.0	34.0
Fire	31.0	31.0	33.0	33.0	2.0	35.0	35.0
Inspections	3.0	3.0	3.0	3.0	0.0	3.0	2.5
Total Public Safety	65.3	65.3	67.3	69.3	2.7	72.0	71.5
Economic and Physical Development							
Planning	6.0	7.0	8.5	8.5	-	8.5	8.5
Community Development	0.5	0.5	-	-	-	-	-
Total Economic and Physical Development	6.5	7.5	8.5	8.5	-	8.5	8.5
Transportation							
Public Services Administration	4.0	4.0	4.0	4.0	-	4.0	5.0
Streets and Grounds	15.0	15.0	15.0	15.0	-	15.0	15.0
Total Transportation	19.0	19.0	19.0	19.0	-	19.0	20.0
Environmental Protection							
Solid Waste	9.0	9.0	10.0	10.0	-	10.0	10.0
Total Environmental Protection	9.0	9.0	10.0	10.0	-	10.0	10.0
Cultural and Recreation							
Parks and Recreation	7.7	7.7	7.7	7.7	1.6	9.3	9.3
Library and Archives	-	-	4.5	4.5	-	4.5	8.5
Harness Track	4.3	4.3	4.3	4.3	-	4.3	4.3
Fair Barn	1.8	1.8	1.8	1.8	-	1.8	1.8
Total Cultural and Recreation	13.8	13.8	18.3	18.3	1.6	19.9	23.9
GRAND TOTAL	145.4	146.6	156.6	158.6	4.3	162.9	167.4
Population	17,100	17,484	17,651	18,074	N/A	18,314	19,235
Employees per 1,000 Population	8.5	8.4	8.9	8.8	N/A	8.9	8.7

The FY 2024 Budget includes an increase of 4.3 FTEs for new full-time assistant fire marshal, firefighter, and athletics coordinator positions, and part-time police apprentice and recreation assistant positions.

See the *General Fund* section for departmental staffing expenditures and additional explanation of staffing changes.

GFOA AWARD FOR DISTINGUISHED BUDGET PRESENTATION

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Village of Pinehurst for its annual budget for Fiscal Year 2023, which began July 1, 2022. In order to receive this award, a governmental unit must publish a budget document that meets specific program criteria as a policy document, an operations guide, a financial plan, and a communications device. The award applies specifically to the Fiscal Year 2023 budget document and is valid for a period of one year. The Village has received this award for fifteen consecutive years. We plan to submit the Fiscal Year 2024 Budget to the GFOA for award consideration as well.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

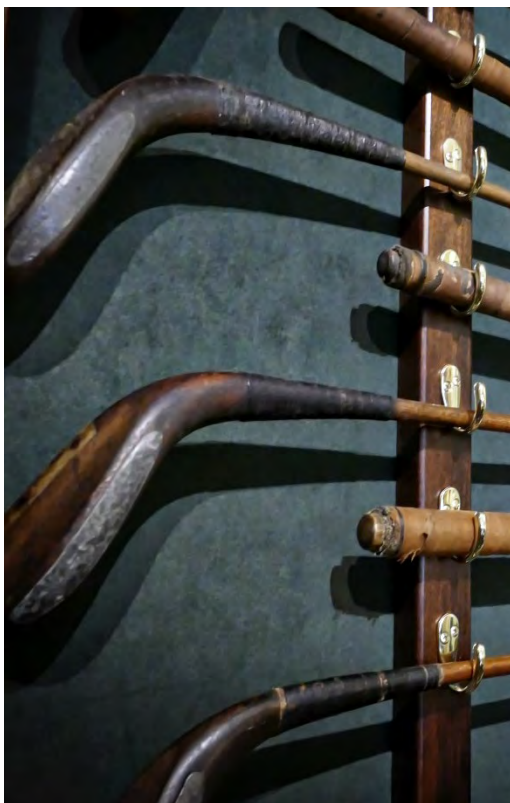
**Village of Pinehurst
North Carolina**

For the Fiscal Year Beginning

July 01, 2022

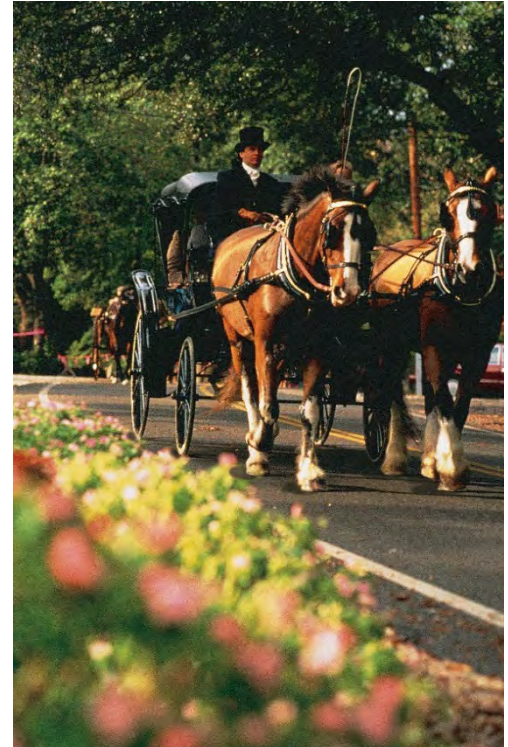
Christopher P. Morrill

Executive Director



ICMA CERTIFICATE OF EXCELLENCE IN PERFORMANCE MANAGEMENT

The International City/County Management Association (ICMA) presented a Certificate of Excellence in Performance Management, the highest level of recognition, to the Village of Pinehurst in 2022 for its data-driven management and reporting efforts. In order to receive this award, recipients collect and verify data to ensure reliability, train staff in performance measurement, report data to the public through budgets, newsletters, and/or information provided to elected officials, provide comparative and benchmarking information to the public, use performance data in strategic planning and operational decision-making, share their knowledge with other local governments through presentations, site visits, and other networking activities, track and report key outcomes, survey residents and local government employees, incorporate data into performance dashboards or other visual communications, and foster the development of a performance culture throughout their organizations.



ICMA
INTERNATIONAL CITY/COUNTY
MANAGEMENT ASSOCIATION

This
Certificate of Excellence
is presented to

Pinehurst, North Carolina

for exceeding the standards established by the International City/County Management Association in the identification and public reporting of key outcome measures, surveying of both residents and employees, and the pervasiveness of performance management in the organization's culture.

Presented in conjunction with the
107th ICMA Annual Conference

October 4, 2021


 Marc A. Ott
 ICMA Executive Director


 James Malloy
 ICMA President



BUDGET IN BRIEF

Letter from the Mayor

The Village Council is committed to ensuring the Village of Pinehurst is a charming, vibrant community that reflects our rich history and traditions. Each year, we ask residents and businesses for feedback on our services through the community and business surveys. Council and senior leaders used that feedback, along with other relevant data, to prepare the 2024 Strategic Operating Plan, which includes the Fiscal Year (FY) 2024 Budget.

Annually, the Council affirms the Balanced Scorecard and identifies strategic objectives as Areas of Focus to improve Village services. The three Areas of Focus for FY 2024:

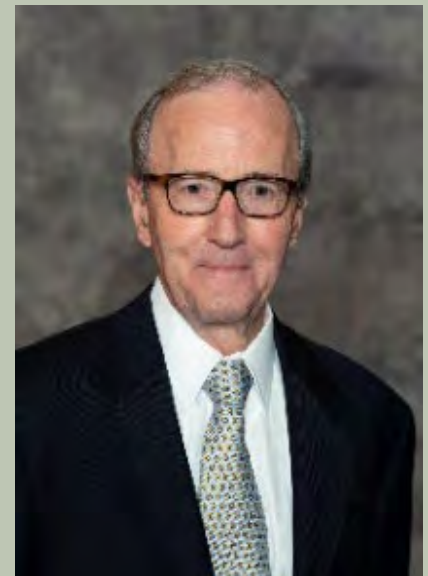
- Developing codes and ordinances to protect the character of Village neighborhoods
- Supporting the business community
- Providing a safe and effective multi-modal transportation system

The \$26.9 million FY 2024 Budget contains a \$0.23 per \$100 valuation property tax rate, the lowest in the county, along with several great initiatives and projects that are sure to enhance the quality of life and bring new value to the Village of Pinehurst.

The FY 2024 budget reflects the Village of Pinehurst's commitment to renovating and improving this gem of the Village community. The FY 2024 budget also makes strategic investments in public safety, public spaces, and future growth as we look through FY 2028.

We continue to keep a watchful eye on our operating environment, including the current inflationary economic period we find ourselves in. With these considerations in mind, I believe we have prepared a Strategic Operating Plan that will promote, enhance, and sustain the quality of life in the Village of Pinehurst. I encourage you to read further about our plans and the FY 2024 Budget in our 2024 Strategic Operating Plan.

Sincerely,



Quick Facts

\$26.9 M

Total Budget

\$0.23

Per \$100 of Valuation
Tax Rate

5

Initiative Action Plans

4.3

Increase of Staff
Full Time Equivalents (FTEs)

Fiscal Year 2024 Initiative Action Plans

The FY 2024 Budget includes five Initiative Action Plans (IAPs) at a cost of \$167,300 to address the Village’s nine strategic goals. Four of these IAPs are designated to address an Area of Focus (AOF). In the five-year planning period, there are seven IAPs totaling \$13,868,500. Additional information on IAPs, including costs to be incurred after FY 2024, can be found in the *Strategic Priorities* section of the 2024 Strategic Operating Plan.

The FY 2024 Initiative Action Plans and the funding incorporated in the FY 2024 Budget include:

1. Update the Pinehurst Development Ordinance AOF (\$0)

The Village will continue to conduct a comprehensive update to the Pinehurst Development Ordinance to reflect priorities of the 2019 Comprehensive Plan and revisions required by changes in NC legislation. Funding for this IAP was budgeted in FY 2022.

2. Implement a Metropolitan Planning Organization (MPO) in Association with Regional Partners AOF (\$15,000)

The Village will work with its regional and state partners to establish and activate a Metropolitan Transportation Plan in southern Moore County.

3. Develop and Implement a Consolidated Multi-Modal Transportation Plan AOF (\$100,000)

This IAP will consolidate the Village’s multi-modal transportation plans into one document that incorporates bicycle, pedestrian, and golf cart accessibility.

4. Relocation of the Public Services Complex AOF (\$80,000)

The Village will continue its work towards moving the public services facility from its current location to allow for future development in Village Place. The move is currently scheduled for FY 2026.

5. Library/Tufts Archives (\$0)

The Village is scheduled to begin construction on a new Library facility in FY 2025. The location and scope of the project will be finalized in FY 2024.

Future Year IAPs:

- Retrofit Current Athletic Fields with Synthetic Turf (-\$27,700)**

The Village began retrofitting athletic fields to synthetic turf in FY 2023. In FY 2024, the Village expects net cost savings of \$27,700 due to the new turf on Cannon Park Field 1. Retrofitting other athletic fields is scheduled to begin in FY 2025.

- Design, Build, Staff, and Equip Fire Station 93**

The design of a new fire station is scheduled for FY 2028 with construction slated for outside the five-year plan. This IAP is designed to meet the growing demand on fire services identified through the Fire Department Response BIRDIE.

Other Significant FY 2024 Projects
Construct pedestrian facilities (\$460,000)
Stormwater facility enhancements (\$460,000)
Public safety radio improvements (\$214,000)
Streetscape enhancements in Village Place (\$200,000)
Implementation of document imaging storage software (\$110,000)

How will your tax dollars be spent in FY 2024?

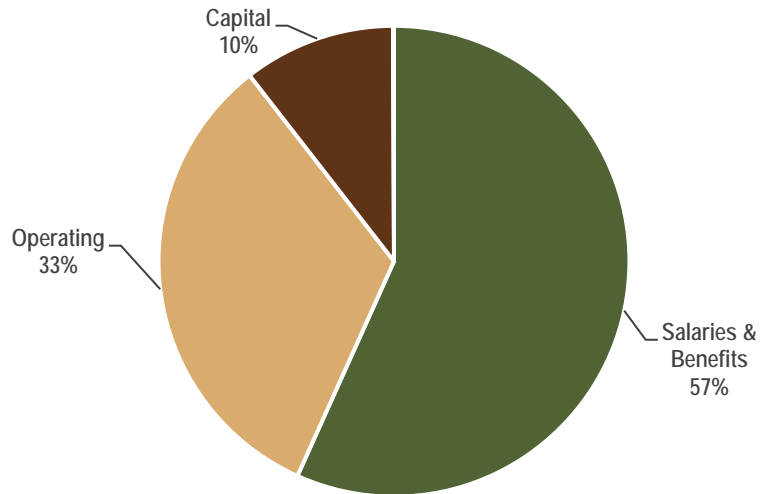
The FY 2024 Budget for salaries and benefits for the Village’s 162.9 full-time equivalents (FTEs) accounts for 57% of total expenditures, or \$15.2 million. The budget includes an 8.0% cost of living adjustment and merit raises at an average of 2% per employee. The Village currently pays for 100% of health, dental, and vision insurance premiums for employee-only coverage.

The FY 2024 Budget includes an increase of 4.3 FTEs for five positions. These new positions are related to the need to increase staff capacity to serve a growing population in the Village of Pinehurst. For more details, see *Personnel Classification Summary*.

The FY 2024 Budget includes \$2.8 million in capital investment, or 10% of total expenditures. Significant operating costs include funding for Initiative Action Plans supporting the Council’s goals and objectives. The operating expenditures also include a \$1.5 million investment in street resurfacing and patching devoted to improving the quality of Village streets (see *Powell Bill* section for additional details).

New Positions Funded	
Assistant Fire Marshal	
Firefighter	
Athletics Coordinator	
Police Apprentices (0.75 FTE)	
Recreation Assistant (0.63 FTE)	

\$26.9 Million Budgeted Expenditures



Expenditures by Function

Public Safety (Police, Fire, Inspections) 35%	Cultural & Recreation (Recreation, Harness Track, Fair Barn, Library & Archives) 16%	Transportation (Public Services Admin, Streets & Grounds, Powell Bill) 20%	General Government (Governing Body, Administration, Finance, Human Resources) 14%
Environmental Protection (Solid Waste) 10%	Economic & Physical Development (Planning, Community Development) 5%	Debt Service (Equipment Leases) Nearly 0%	Other Financing Uses (Capital Project Fund Transfer) Nearly 0%

View the Budget Online

To view the FY 2024 Budget online, go to www.vopnc.org/sop.

On the Budget “launch” page, residents can open the entire FY 2024 Budget and Strategic Operating Plan document or an individual section, with a linked table of contents.

In FY 2024, the Village has \$19,100 in debt service expenditures related to leases of capital assets. The other financing uses of \$80,000 is a transfer from the General Fund to the Public Services Relocation capital project fund for the site plan.

Overall, the FY 2024 Budget totals \$26,931,400 or 8% less than the prior year’s amended General Fund budget as of December 31, 2022. The FY 2024 Budget as presented results in a per capita expenditure of \$1,470 based on a projected population of 18,314.

How is the Village of Pinehurst Funded in FY 2024?

The primary revenue source for the Village is property taxes, accounting for 51% of total revenues, or \$13.6 million. In FY 2024, the Village elected to adopt an inflation-adjusted revenue neutral tax rate of \$0.23 per \$100 of valuation, which is the lowest municipal tax rate in Moore County.

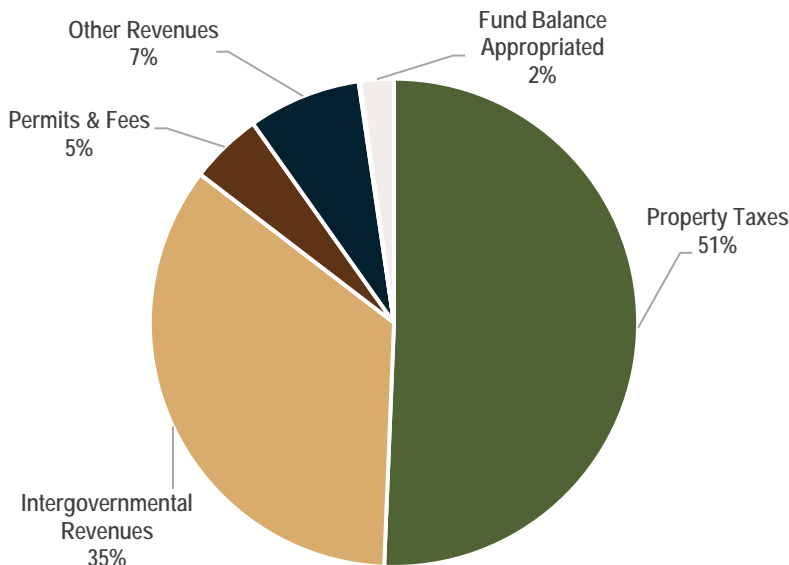
Other key revenues that make up 33% of total General Fund revenues include local option sales taxes, utility sales taxes, and other state-collected revenues. Of these, local option sales taxes are the largest intergovernmental revenue source for the Village, representing 22% of the total budget. Sales tax revenue for FY 2024 is projected above FY 2023 estimates.

The permits and fees budget includes the USGA licensing fee for the 2024 U.S. Open.

At the end of the year, we estimate the Village will add \$1,705,325 to fund balance in FY2024 primarily due to the projected budget-to-actual variance the Village historically has achieved.

This will result in an ending fund balance of approximately 68.4% of General Fund expenditures. This is above the Council’s adopted policy minimum of 30% and positions the Village well to address significant future capital projects.

\$26.9 Million Budgeted Revenues



BUDGET MESSAGE



May 9, 2023

The Honorable John C. Strickland, Mayor
Members of the Village Council
Pinehurst, North Carolina

Dear Mayor Strickland and Members of the Village Council:

Pursuant to Section 159-11 of the North Carolina General Statutes (NCGS), I am pleased to present the 2024 Strategic Operating Plan including the recommended budget for Fiscal Year (FY) 2024 for your review and consideration. This document has been prepared in compliance with the requirements of the Government Finance Officers Association's Distinguished Budget Award program to provide a comprehensive view of the Village's 2024 Strategic Operating Plan. To qualify for the program, the Village's budget document must be proficient as a policy document, a financial plan, an operations guide, and a communications device.

FY 2024 marks the eleventh year of the Village's strategic planning process. In FY 2014, the Village transitioned from adopting a separate Capital Improvement Plan (CIP) and operating budget to adopting a Strategic Operating Plan (SOP) that contains a one-year budget, a five-year operating plan and financial forecast, and a capital improvement plan. In FY 2012, the Village began a focused continuous process improvement effort by partnering with the Industrial Extension Services Department of North Carolina State University and participating in its North Carolina Awards for Excellence program. The goal of this program is to implement the Baldrige Excellence Framework. This framework provides an integrated approach to organizational performance management that results in the delivery of ever-improving value to our customers and improving the overall effectiveness of the organization. Implementation of this framework has transformed the Village's budgeting process into a more strategic, results-driven process. Resource allocation is now more closely aligned with the Village Council's strategies and focused on achieving the results articulated in the Village's Balanced Scorecard (BSC). In FY 2021, the Village submitted an application for the Malcolm Baldrige National Quality Award and was one of only nine U.S. organizations selected to receive a site visit. After the site visit, the Village received a detailed feedback report identifying the key strengths and improvement opportunities. This feedback was used in our strategic planning process while developing the 2024 Strategic Operating Plan.

The FY 2024 Budget as presented was developed through the Village's strategic planning process. This process is described in detail in the *Strategic Priorities* section of this document. The strategic planning process includes the development of the Village's BSC. The BSC contains nine strategic goals, 20 strategic objectives, and 37 Key Performance Indicators (KPIs) with targets around which this SOP was developed. The BSC is the foundation upon which the SOP is developed to ensure the recommended budget helps us accomplish our vision of being a charming, vibrant community which reflects our rich history and traditions. This message provides information on how the SOP addresses our vision, mission, goals, and objectives in a meaningful and measurable way.

PRINCIPAL ISSUES FACING THE VILLAGE IN DEVELOPING THE SOP

The local economy continues to outpace nationwide spending since the beginning of the COVID-19 coronavirus pandemic. The Village experienced unprecedented local option sales tax revenue growth over the past three years and expects continued growth in this revenue source as high inflation has yet to significantly slow consumer spending.

Local governments, including the Village, received direct financial assistance to respond to the pandemic through the American Rescue Plan Act (ARPA) passed on March 11, 2021. The Village used its allocation of nearly \$5.3 million as planned in FY 2023 for general government services, more specifically local government salaries and benefits, supplanting General Fund dollars typically used for these salaries and benefits. This one-time infusion of \$5.3 million to fund balance in FY 2023 will allow us to fund a new building for the Given Memorial Library and expand the Tufts Archives without debt financing.

The consumer price index remained consistently high over the past year from 7.5% in January 2022 to 6.4% in January 2023, with a peak of 9.1% in June 2022 and an average of 8.0% for calendar year 2022. As with all other consumers, this high rate of inflation places operating pressures on the Village's budget, particularly the cost-of-living salary increases which are tied to the consumer price index.

Fuel prices have fallen on average locally and across the country compared to 2022, however, OPEC's recent announcement that it will cut production in 2023 may cause prices to surge again. Supply chain impacts and product cost increases are expected and were considered in the development of this plan.

The Village must ensure that it remains financially postured to respond to the effects of negative economic shocks, natural disasters, and other major unanticipated expenses. To do so, it is important to maintain a healthy fund balance level.

In addition to inflation, growth in population and increased development are other key issues facing the Village in developing the FY 2024 SOP. According to the North Carolina State Demographer's Office, Pinehurst's population increased 34% from 2010 to 2020, making the Village the 57th fastest growing municipality in the state. While much of this growth resulted from annexation, this growth drives our need to plan for the long-term future of the Village, manage the impact of growth on the character of our community, address traffic and transportation related issues, and ensure adequate staff capacity and capabilities to continue to provide high quality services.

This year, new construction for both single-family homes and non-residential construction has slowed. Fallout from the housing crisis of 2008 resulted in a drastic decline in new home construction in the Village. That trend had reversed over the past few years. Prior to the housing crisis, the Village averaged 200 new single-family homes per year, which dropped to a low of 51 in 2010. The COVID-19 pandemic did not have a significant negative impact on the housing market in our area. We project approximately 75 homes will be constructed in FY 2023 and 100 in FY 2024. The Village has also seen significant commercial development over the past five years, which is reflected in our tax base estimate.

The local unemployment rate has remained steady at 3.6% compared to 3.5% the previous year. This is reflective of state and national trends.

To address current and projected growth and development in the Village, several strategies identified in the Comprehensive Plan have been programmed over the five-year planning period. These strategies will ensure the Village is positioned to grow in a way that helps us remain a charming, historic, and vibrant community.

Other external economic factors have affected our budget planning process. Hosting the U.S. Open Championship over the years has proven to positively impact golf-related tourism. In September 2020, the United States Golf Association (USGA) announced that it would expand its operations into Pinehurst with a \$25 million facility that will bring 50 new jobs. The new development, scheduled to be completed by the end of 2023, includes a golf equipment research and testing center, museum and visitor center, and offices. In addition, the USGA committed to hosting five Men's U.S. Open Championships in Pinehurst by 2047, with the first coming this fiscal year in June 2024. According to independent studies, the total economic impact of the USGA's long-term presence is estimated to exceed \$2 billion in North Carolina. To promote this economic development opportunity, the Village committed to ten years of incentive payments to the USGA equaling 90% of property taxes paid to the Village.

Military relocations are also supporting growth in the housing market. The Village's name recognition and proximity to the largest U.S. military base, Fort Liberty (formerly Fort Bragg), make it an attractive location for families with military ties.

In April 2022, the Village of Pinehurst Council and Given Memorial Library and Tufts Archives Board signed an agreement to transfer assets and operations of the privately-funded library and archives to the Village. The Library and Archives have transitioned well as new Village departments. The Village is currently planning for an expansion of the Archives and the construction of a new library. Oakley Collier Architects was hired in December 2022 to develop the programming and designs for the expansion. Design work will be completed in early calendar year 2024 with construction to start shortly after the close of the 2024 U.S. Open Championship.



Another principal issue affecting the Village is workforce capacity in certain areas of our organization as services and programs expand to meet the needs of residents. To address this, the FY 2024 Budget includes the addition of three full-time positions in the Fire Department and Recreation Department and two part-time positions in the Police Department and Recreation Department.

Increases to the North Carolina Local Government Employees' Retirement System (LGERS) employer contribution rates continue to place operating pressures on the Village. In January 2022, the LGERS Board voted to increase state-mandated local government retirement contribution rates over the next five years, with guardrails in place that allow for potential decreases in the rate beginning in FY 2026 if certain criteria are met. The increased rates are included in the FY 2024 Budget.

Like other cities in North Carolina, the Village is subject to potential legislative changes at the state level, which could significantly impact Village intergovernmental revenues. This year's legislative session, like any session, could impact the Village's revenues or expenses. Since it is unclear at this time what impact, if any, might come from this session, no provisions for changes have been included in this budget.

PRIORITIES AND AREAS OF FOCUS

The recommended FY 2024 Budget provides a financial plan for the ensuing fiscal year and has been developed in accordance with the Village's financial policies and the Balanced Scorecard (BSC). At the annual strategic planning retreat, the Village Council identified nine strategic goals:

1. Safeguard the community,
2. Promote high quality neighborhoods, development, and appearance,
3. Promote a thriving business community,
4. Promote transportation mobility and connectivity,
5. Preserve the environment,
6. Promote active living and cultural opportunities,
7. Professionally manage a high performing organization,
8. Attract and retain an engaged workforce, and
9. Maintain a healthy financial condition

Based on identified strategic challenges and opportunities, community survey areas for improvement, and a review of performance levels relative to benchmark comparisons, the Village Council identified three strategic objectives as Areas of Focus (AOF) for FY 2024 at the annual strategic planning retreat. These include:

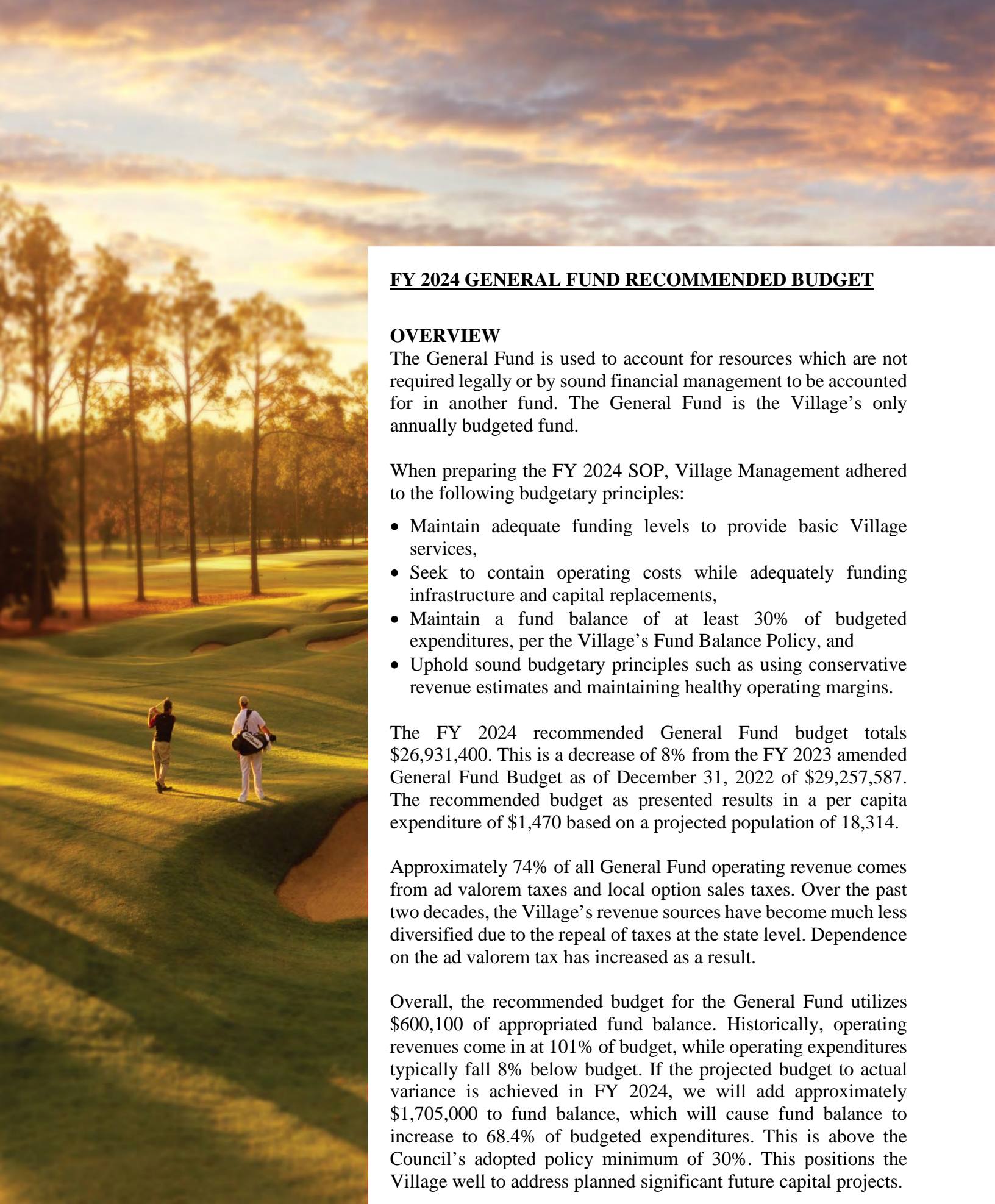
1. Develop codes and ordinances to protect the character of Village neighborhoods
2. Support the business community
3. Provide a safe and effective multi-modal transportation system

The five-year planning period includes seven Initiative Action Plans (IAPs) with incremental funding of \$13,868,500 to achieve the target performance levels on the BSC and address Areas of Focus. Of the seven IAPs in the five-year period, six are scheduled to begin in FY 2024 (or continue from prior years) and one is scheduled to begin in FY 2028. The *Strategic Priorities* section of this document provides additional details on these initiatives.

Strategic Goal	Strategic Objective	Initiative Action Plans (IAPs)	Fiscal Year(s)
Promote high quality neighborhoods, development, and appearance	Develop codes and ordinances to protect the character of Village neighborhoods <i>AOF</i>	Update the Pinehurst Development Ordinance	2024-2026
Promote a thriving business community	Support the business community <i>AOF</i>	Relocation of the Public Services Complex to allow for redevelopment of Village Place	2024-2028
Promote transportation mobility and connectivity	Provide a safe and effective multi-modal transportation system <i>AOF</i>	Develop and implement a consolidated multi-modal transportation plan	2024-2028
		Implement a metropolitan planning organization (MPO) in association with regional partners	2024-2028
Safeguard the community	Deliver effective fire and rescue services	Design, build, staff, and equip Fire Station 93	2028+
Promote active living and cultural opportunities	Provide cultural services and events	Retrofit current athletic fields with synthetic turf	2023-2028
		Expand and renovate Given Memorial Library and Tufts Archives	2023-2028

AOF - Items in red are IAPs that support Council's Areas of Focus

Six of the seven IAPs planned for the five-year period were either previously scheduled in the five-year financial plan to begin in a future year or were ongoing initiatives from prior years. The implementation of the metropolitan planning organization was added to the plan this year as the requirement to form such an organization arose. Funding to maintain current service levels has been provided and service level improvements are focused in planning & development and cultural & recreation services with targeted investments of resources.



FY 2024 GENERAL FUND RECOMMENDED BUDGET

OVERVIEW

The General Fund is used to account for resources which are not required legally or by sound financial management to be accounted for in another fund. The General Fund is the Village's only annually budgeted fund.

When preparing the FY 2024 SOP, Village Management adhered to the following budgetary principles:

- Maintain adequate funding levels to provide basic Village services,
- Seek to contain operating costs while adequately funding infrastructure and capital replacements,
- Maintain a fund balance of at least 30% of budgeted expenditures, per the Village's Fund Balance Policy, and
- Uphold sound budgetary principles such as using conservative revenue estimates and maintaining healthy operating margins.

The FY 2024 recommended General Fund budget totals \$26,931,400. This is a decrease of 8% from the FY 2023 amended General Fund Budget as of December 31, 2022 of \$29,257,587. The recommended budget as presented results in a per capita expenditure of \$1,470 based on a projected population of 18,314.

Approximately 74% of all General Fund operating revenue comes from ad valorem taxes and local option sales taxes. Over the past two decades, the Village's revenue sources have become much less diversified due to the repeal of taxes at the state level. Dependence on the ad valorem tax has increased as a result.

Overall, the recommended budget for the General Fund utilizes \$600,100 of appropriated fund balance. Historically, operating revenues come in at 101% of budget, while operating expenditures typically fall 8% below budget. If the projected budget to actual variance is achieved in FY 2024, we will add approximately \$1,705,000 to fund balance, which will cause fund balance to increase to 68.4% of budgeted expenditures. This is above the Council's adopted policy minimum of 30%. This positions the Village well to address planned significant future capital projects.

SOURCES OF REVENUE

The General Fund's primary sources of revenue include:

- Ad valorem taxes,
- Local option sales taxes,
- Intergovernmental revenues,
- Permits and fees,
- Sales and service revenues, and
- Investment income.

Ad Valorem Taxes (Property Taxes)

Two characteristics of the property tax distinguish it from other forms of taxation and underlie the methods of determining tax liability and enforcing collection. The first characteristic is that the property tax is levied on property itself, not the owner. The second is that the tax is measured by the value of the property, not by the owner's ability to pay. Thus, it is often called an "ad valorem" tax, from the Latin phrase meaning, "according to value."

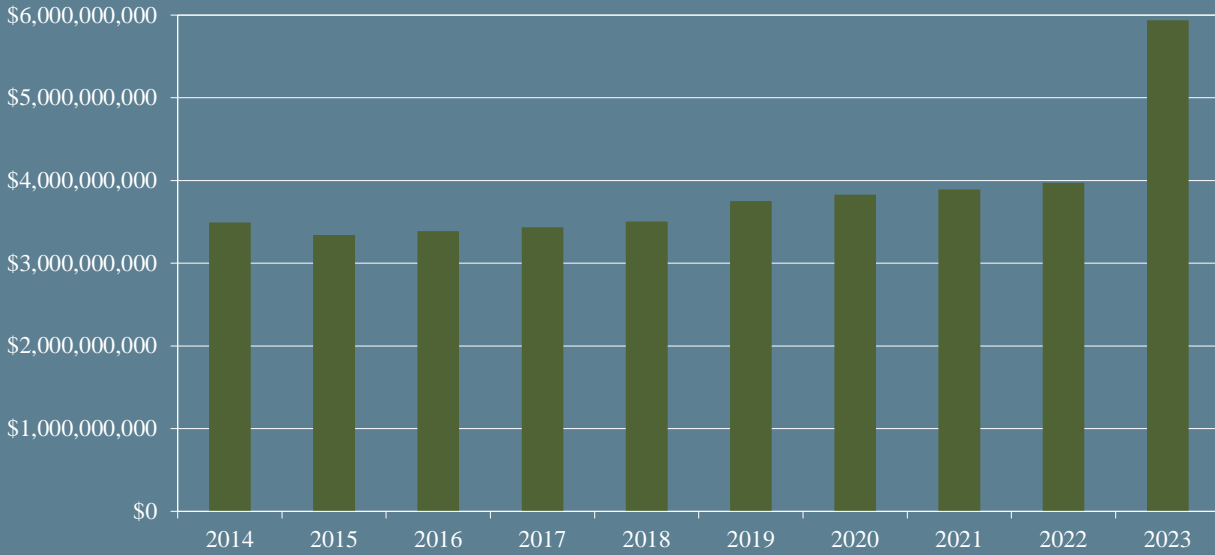
In North Carolina, property tax rates are customarily expressed in dollars per \$100 valuation. The maximum property tax rate allowed in North Carolina is \$1.50 per \$100 of valuation. This proposed budget recommends a property tax rate of \$0.23 per \$100 of valuation, which is the lowest municipal tax rate in Moore County and is a \$0.08 reduction from the previous year. This means that for every \$100,000 in value of property, \$230 of ad valorem tax is due. All property was revalued by Moore County as of January 1, 2023. Property values in the Village of Pinehurst appreciated an average of nearly 50%. This significant increase in property values coupled with high inflation since the last revaluation in 2020 resulted in an inflation-adjusted revenue-neutral tax rate of \$0.235 per \$100 of property valuation.

The Village Council elected to adopt a tax rate of \$0.23, slightly below the inflation-adjusted revenue neutral tax rate. This tax rate is a decrease of 8 cents from the FY 2023 tax rate of \$0.31. The "inflation-adjusted revenue neutral tax rate" is not to be confused with the revenue neutral tax rate defined by the North Carolina Local Government Budget and Fiscal Control Act. The "inflation-adjusted revenue neutral tax rate" concept was developed by Village staff and recognizes that the cost of doing business has increased since the last revaluation period. It is calculated by modifying the traditional revenue neutral tax rate by inflation that has occurred since the last revaluation date of January 1, 2019.

The revenue neutral tax rate as defined by the North Carolina Local Government Budget and Fiscal Control Act is determined by setting a property tax rate that generates the same revenue as the previous year, plus normal growth. The revenue neutral tax rate for the Village, as calculated by the formula provided by the North Carolina Local Government Commission, is \$0.2127.

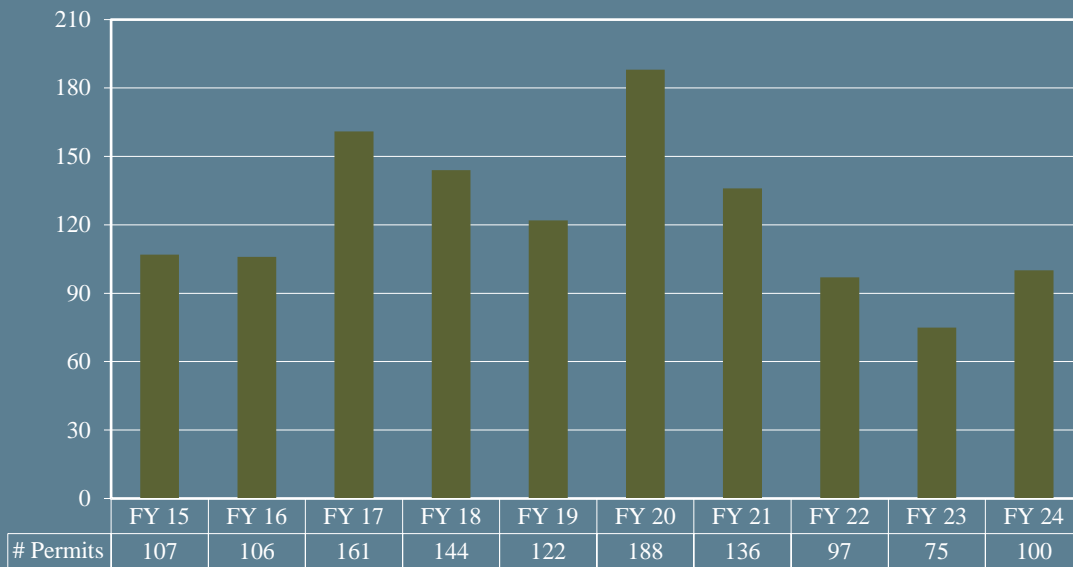
With an anticipated collection rate of 99.9% for real and personal property and 100.0% for motor vehicles, the Village typically achieves one of the highest tax collection rates in the State of North Carolina. A penny on the tax rate generates approximately \$584,000 in revenue. Total ad valorem tax revenues are projected to be \$13,639,000 in FY 2024. In North Carolina, the ad valorem tax is the only significant source of revenue that the State allows local governments to control. This revenue accounts for 52% of the General Fund's operating revenues.

Real and Personal Property Assessed Value By Tax Year



Our budget estimates assume an average growth in the property tax base of 0.71% for real property and 1.00% for motor vehicles for FY 2024. Since the majority of the Village’s property tax base is residential property, our new home construction projection is a critical component of the financial forecast. The housing market experienced significant growth in FY 2020 with 188 homes constructed. This is the highest number of homes constructed since FY 2007 before the Great Recession. Despite the COVID-19 pandemic, the housing market remained strong with 136 homes constructed in FY 2021 and 97 in FY 2022. New home construction is slowing with an estimated 75 homes constructed in FY 2023 and 100 new homes projected in FY 2024.

New Home Construction Permits



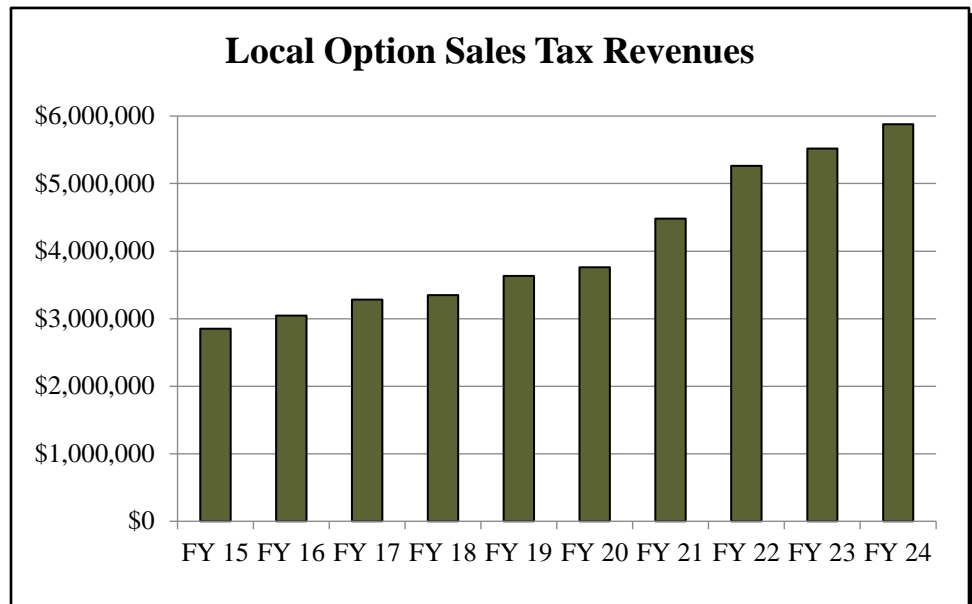
Intergovernmental Revenues

Intergovernmental revenues consist primarily of the local option sales taxes, utility sales taxes, hold harmless sales tax reimbursements, and the Powell Bill allocation.

Two and one-quarter (2.25) cents of the seven (7) cents paid in sales tax on retail sales in North Carolina represents the local share of this tax. This tax consists of a one percent tax that was first levied in 1971, a one-half percent tax levied in 1983, a one-half percent tax levied in 1986, and a one-quarter percent tax levied in 2019. The state collects the sales taxes and distributes them to local governmental jurisdictions, except for the one-quarter percent tax, which remains with Moore County to support education. Sales tax revenues are distributed on a proportional population basis to municipalities within Moore County.

As the Village’s second largest revenue source, local option sales tax is expected to generate approximately 22% of the Village’s operating revenues, or \$5,878,000 in FY 2024. This represents an increase of 6.5% from the previous year’s budget. This increase is due to inflation and continued strong consumer spending on taxable goods.

Utility sales taxes are collected by the State and are distributed to the Village based on actual receipts from the providers of electricity, telephone, and video services within the Village’s limits. Hold harmless sales tax reimbursements were granted to municipalities after the Article 44 sales tax was repealed by the State.



The Powell Bill allocation from the State is restricted to maintaining, repairing, or constructing Village owned streets and rights-of-way. Total intergovernmental revenue, including sales taxes, is estimated to be \$9,362,400 for FY 2024, or approximately 35% of General Fund operating revenues. This is an increase of approximately 4% over budgeted intergovernmental revenues in FY 2023.

Permits and Fees

Permits and fees consist primarily of planning and inspection fees associated with residential and non-residential development within the Village and its extraterritorial jurisdiction (ETJ). In addition, fire district revenues are included with permits and fees. Fire district revenue comes from Moore County and Taylortown, a neighboring community, for the Village’s Fire Department providing fire protection services to areas outside of the Village’s municipal limits. The licensing fee of \$350,000 for the 2024 Men’s U.S. Open Championship is also included in permits and fees. Total permits and fees revenues are expected to be \$1,290,300 in FY 2024, or approximately 5% of total General Fund operating revenues.

This is an increase of nearly 40% over budgeted permits and fees revenue in FY 2023 due to the non-recurring U.S. Open Championship licensing fee.

Sales and Services Revenues

Sales and services revenues consist primarily of Harness Track stall rentals, Fair Barn rentals, and recreation fees. The Village owns and operates the Harness Track, which is the oldest continuously operating equine sports facility in North Carolina. The Village also operates the Fair Barn at the Harness Track which serves as a venue for weddings and other events. Beginning in FY 2022, this category of revenue also includes minor income associated with archives document sales. Total revenues in this category are expected to be \$853,100, or approximately 3% of total General Fund operating revenues. This is an increase of approximately 8% from budgeted sales and services revenue in FY 2023.

Investment Income

Investment income consists primarily of earnings on cash and investments in the North Carolina Capital Management Trust (NCCMT). The NCCMT portfolio closely tracks the federal interest rates. As interest rates are rising, investment income is expected to be \$640,100 in FY2024, an increase of nearly 48% from the FY 2023 amended budget.



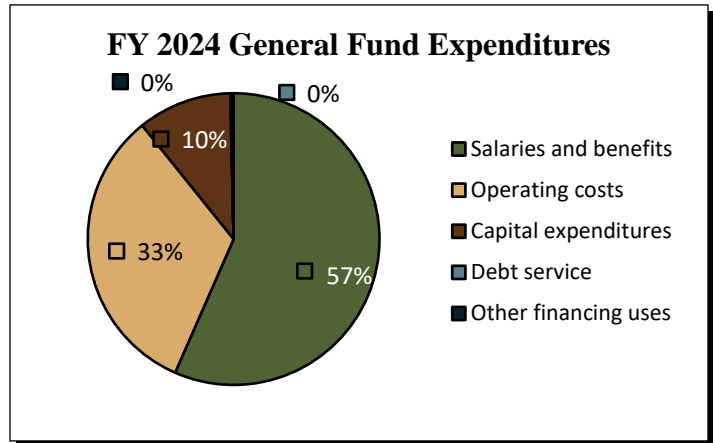
EXPENDITURES BY CATEGORY

General Fund Expenditures fall into one of five categories:

1. Salaries and benefits
2. Operating costs
3. Capital expenditures
4. Debt service
5. Other financing uses

Salaries and Benefits

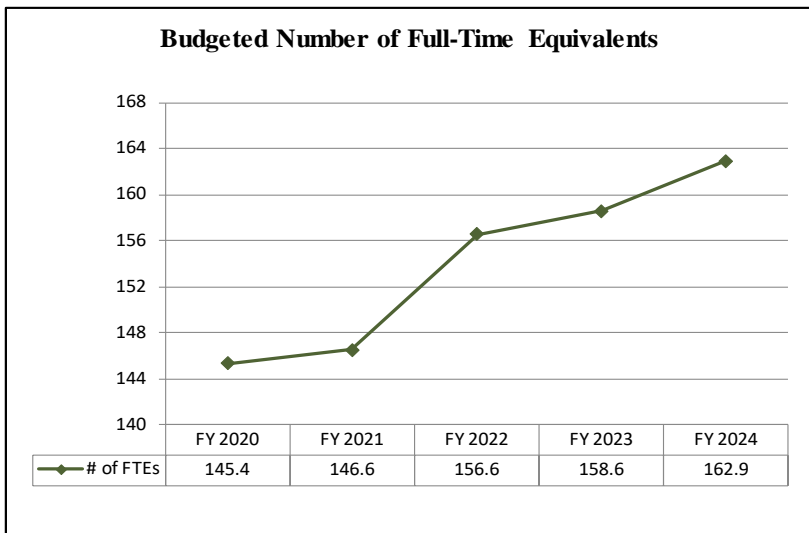
Salaries and benefits for the Village’s 162.9 full-time equivalents (FTEs) account for \$15,235,300, or 57%, of the total General Fund Budget. This amount includes all employees, however, salaries and benefits for internal service department employees are allocated to the direct service departments as an operating expenditure.



Group insurance costs have historically escalated at a very rapid pace. However, this past year the Village changed group insurance providers, resulting in a decrease of 7.0% for employee medical coverage. The Village also introduced a high-deductible health savings account option for employees which contributed to reducing the cost of group insurance. The Village’s Risk Management Committee evaluates the group insurance plan each year and recommends an insurance program for the next calendar year. This year’s budget assumes a 10% increase in group insurance costs at our January 2024 renewal, based on previous historical trends. The Village currently pays for 100% of employee coverage.

For FY 2024, the budget recommends an increase of 4.3 FTEs for three full-time positions (assistant fire marshal, firefighter, and athletics coordinator) and two part-time positions (police apprentices and recreation assistant). The following chart indicates the budgeted number of FTEs for the past five years

and shows the increased staff capacity needed to serve a growing population.



The Village provides an annual cost of living adjustment. A total of \$788,000 has been included in the recommended budget to fund cost of living adjustments (salary and associated benefits), which are based on the annual average consumer price index percentage for the prior calendar year. For FY 2024, this equates to 8.0%. Adjustments are effective July 1 for employees employed as of December 31 of the prior year.



An additional \$252,000 of salary and associated benefits has been included to fund the Village's merit pay system. Merit pay raises available to employees are funded at an average of 2% and are effective October 1. The Village does not provide longevity raises.

Operating Costs

This category of expenditures accounts for \$8,792,500 or 33% of the total General Fund Budget. These expenditures include all costs other than salaries and benefits, debt service, and capital costs. Notable operating costs include \$1.5 million for street resurfacing and patching, as well as funding for strategic initiatives supporting the Council's goals and objectives as listed in the *Strategic Priorities* section of this document.

Capital Expenditures

This category of expenditures accounts for \$2,804,500, or 10% of the total General Fund Budget. This represents a decrease of 56% from the previous year's General Fund capital expenditures, largely due to the installation of synthetic turf at Cannon Park and library expansion funding in FY 2023. Estimated operating costs associated with significant non-routine capital expenditures are detailed in the *Capital Improvement Plan* section and are incorporated into the *Five-Year Financial Forecast*.

Capital expenditures are for the purchase of vehicles, equipment, land, infrastructure, and other items that have a value greater than \$5,000 and a life expectancy of at least one year. Detailed information on capital purchases for FY 2024 can be found in the *General Fund Capital Expenditures* section of the Strategic Operating Plan document. The list below highlights some of the more notable items for FY 2024:

- Four Police vehicles,
- Garbage truck,
- Imaging system,
- Stormwater drainage projects,
- Streetscape improvements,
- Pedestrian facilities, and
- Police dispatch radios

Debt Service

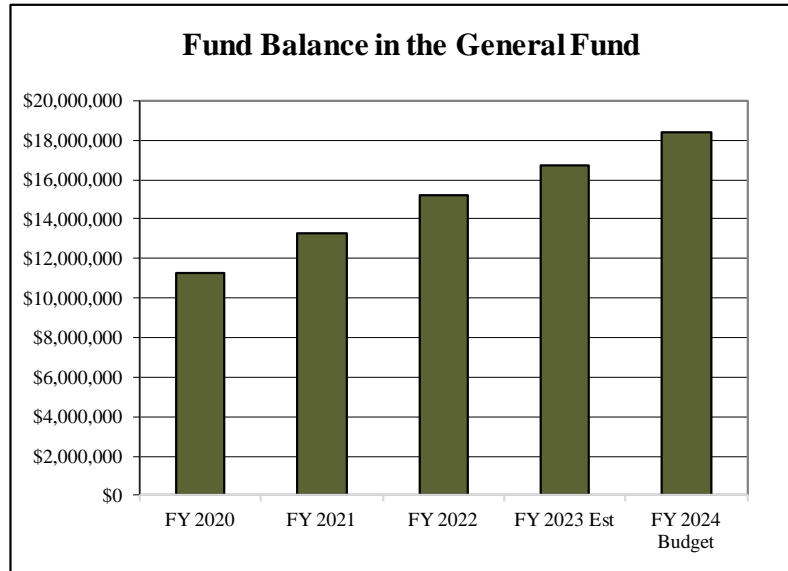
In FY 2024, the Village has \$19,100 in debt service expenditures which represent the principal payments on multi-year leases of office equipment.

Other Financing Uses

Other financing uses represent transfers out of the General Fund to other funds. The budget for FY 2024 includes an \$80,000 transfer to the Public Services Relocation capital project fund for the site plan.

FUND BALANCE

At June 30, 2023, the Village’s fund balance in the General Fund is projected to be approximately \$16.7 million, or 57% of the FY 2023 Budget. The budget as proposed for FY 2024 will increase the level of fund balance to approximately \$18.4 million, or 68% of expenditures. In recent years, the Village realized increases in fund balance because of higher sales tax revenue, the one-time infusion of ARPA funds, and expenditure control. The Village plans to use fund balance for the upcoming capital projects for the Given Memorial Library & Tufts Archives and the Public Services Relocation.



BALANCED RECOMMENDED GENERAL FUND BUDGET

As required by North Carolina General Statutes, the recommended budget is balanced. In other words, total revenues equal total expenditures. The budget is based on an ad valorem tax rate of \$0.23 per \$100 valuation for the General Fund. The recommended budget projects a fund balance of 68.4% of FY 2024 General Fund budgeted expenditures, which is above the Council’s adopted policy minimum of 30%. Council amended its policy in FY 2021 to include a provision to commit fund balance in excess of 40% for future capital needs. The projected level of fund balance positions the Village well to address significant future capital projects that are incorporated in the five-year planning period.

Departmental requests were reduced by approximately \$254,000 to balance the budget. Although the budget does not fund all the requests made by departments or external groups, it is set to achieve strategic goals and targeted levels of performance as communicated in the Village’s Balanced Scorecard.

The following tables are a summary of the balanced recommended budget for the Village’s General Fund, the only annually budgeted fund for FY 2024:

Revenues by Type	FY2024 Budgeted
Ad Valorem Taxes	\$ 13,639,000
Other Taxes & Licenses	4,500
Unrestricted Intergovernmental Rev.	8,762,900
Restricted Intergovernmental Rev.	599,500
Permits & Fees	1,290,300
Sales & Services	853,100
Other Revenues	516,800
Investment Income	640,100
Revenues	26,306,200
Other Financing Sources	25,100
Fund Balance Appropriations	600,100
Total Revenues	\$ 26,931,400

Expenditures by Function	FY2024 Budgeted
General Government	\$ 3,630,765
Public Safety	9,334,391
Transportation	5,292,858
Environmental Protection	2,695,710
Economic & Physical Development	1,451,110
Cultural & Recreation	4,427,466
Debt Service	19,100
Expenditures	26,851,400
Other Financing Uses	80,000
Total Expenditures	\$ 26,931,400

A Public Hearing to receive citizen input on the recommended budget will be held on Tuesday, May 23, 2023 at 4:30 pm in the Assembly Hall of the Pinehurst Village Hall. A copy of the proposed budget is available for inspection at Village Hall and on the Village’s website at www.vopnc.org/sop.

I wish to express my thanks to the Village Council and senior leadership for their support in developing this FY 2024 Budget. I also want to recognize all the Village employees who have accomplished so much this past year. Please let me know if I can be of any further assistance as you review this proposal.

Respectfully Submitted,



Jeff Sanborn
Village Manager

ABOUT VILLAGE SERVICES



Visit the Village of Pinehurst's web site: www.vopnc.org

The Village of Pinehurst is known for its award-winning golf resorts and quaint, idyllic charm, but many people don't realize that our local government is comprised of 18 different departments and divisions working to maintain the high expectations of the Village's citizens and visitors. As such, it is often difficult to know who to contact for more information about the Village of Pinehurst's available services.

This section was created to aid the reader in learning the duties and responsibilities of each department and division. You may also get additional information about the budget under the "Our Government" link on our web site. Look for "Strategic Operating Plan" in the far right column under the "Our Government" link. We have also provided an email address for each department contact and a phone list at the end of this section for common requests and services.

GENERAL GOVERNMENT

Governing Body (kchance@vopnc.org)

The Governing Body of the Village consists of a five-member council that includes a directly elected Mayor. The Council provides overall policy guidance for all municipal operations. To affect this, the Council considers and adopts local ordinances and resolutions to provide for the health, safety, and overall quality of life for the citizens of Pinehurst. The Council determines the level of service the Village will provide to its citizens. The governing body of the Village makes appointments to various volunteer boards and commissions that act in an advisory and quasi-judicial role for the Village. The Council also selects and contracts with the Village Manager and Village Attorney for services. All Council actions are made to advance the Village's vision to be a "charming, vibrant community which reflects our rich history and traditions."



Village Council

Administration (jsanborn@vopnc.org)

The Administration Department provides top-level support to the Village Council and Village Manager. The Village Manager, Assistant Village Manager of Administration, and Assistant Village Manager of Operations lead the Village’s senior leadership team. The Organizational Performance Director reports directly to the Assistant Village Manager of Administration and serves as a member of the senior leadership team. The department also serves as a support and liaison to the 17 other departments and divisions of the Village to ensure that services are provided to Village residents in an efficient, responsive, and cost-efficient manner. The office of the Village Manager is responsible for the overall operations of the Village.

Financial Services (dvannostrand@vopnc.org)

The Financial Services Director reports directly to the Assistant Village Manager of Administration and serves as a member of the senior leadership team. The Financial Services Department oversees the fiscal operation of the Village, which includes cash and investment management, debt management, financial reporting, and preparation of the annual budget and five-year financial forecast. The Financial Services Department’s mission is to provide financial expertise and promote fiscal responsibility in a challenging and rewarding environment.

Human Resources (akantor@vopnc.org)

The Human Resources Director reports directly to the Village Manager and is a member of the senior leadership team. The Human Resources Department provides the traditional human resources services for both management and staff, but also extends that role to include the design and implementation of services and programs to enhance employee job satisfaction, retention, and a balanced family/work life. Employee training and reward and recognition of both employees and volunteers are also critical to the success of our organization.

PUBLIC SAFETY

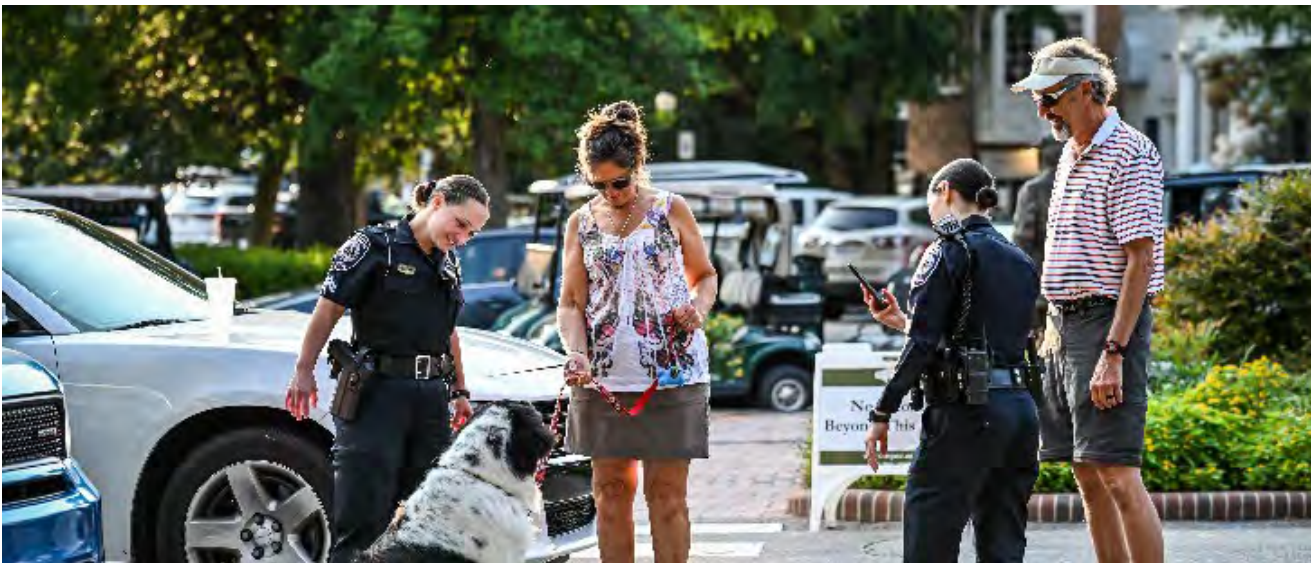
Fire (jccole@vopnc.org)

The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. The Fire Department is responsible for providing protection of life, property, and environment of the Village and the surrounding area through public education, fire prevention, fire inspection, fire suppression, medical first response, and related services. In addition, the department also has an obligation to train all personnel in modern fire safety practices and technologies.



Police (gwebb@vopnc.org)

The Police Chief reports directly to the Village Manager and is a member of the senior leadership team. The Police Department is responsible for the protection of life and property of the citizens and visitors of the Village. Patrol officers respond to police related calls for service at the request of citizens or other persons, initiate service calls when necessary, direct traffic when needed, and conduct follow up investigations on reported and non-reported crimes. Dispatcher personnel monitor, receive, and dispatch emergency and routine police calls for service through an interface with the Moore County E911 system. Investigative personnel are responsible for the investigation of criminal activity in the Village by means of interviews and gathering physical evidence. The Police Department provides dedicated and compassionate assistance by promoting leadership, cooperation, and creativity and aspires to improve the quality of life in partnership with the community.



Inspections (acameron@vopnc.org)

The Inspections Department reports directly to the Planning and Inspections Director. It is the mission of the Inspections Department to assure that State standards of building are met within the jurisdiction of the Village of Pinehurst. The Inspections Department serves not only the residents of Pinehurst but the residents of the extra territorial jurisdiction. Inspectors assure that all new homes and businesses are built to current building code standards.

TRANSPORTATION

Public Services (mapke@vopnc.org)

The Public Services and Engineering Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Public Services Department provides administrative and technical support for the Public Services divisions of Streets & Grounds and Solid Waste. Its responsibilities include establishing priorities for the departments, training and supervising staff, developing plans and specifications for infrastructure, and interacting with citizens and governmental regulatory agencies.

Streets & Grounds (mapke@vopnc.org)

The Streets & Grounds Division of the Public Services Department reports to the Assistant Public Services Director. The Streets & Grounds Division is responsible for keeping all public transportation routes open and in a safe traveling condition. This department maintains 108 miles of streets in the Village, the largest amount of any local government in Moore County. Routine tasks include asphalt patching, installing and maintaining storm drains, installing and maintaining traffic and street name signs, repairing sidewalks, street sweeping, and tree trimming. This division also provides the manpower, supplies and management for the maintenance of the Village-owned right of ways and common areas.



ENVIRONMENTAL PROTECTION

Solid Waste (mapke@vopnc.org)

The Solid Waste Division of the Public Services Department reports to the Assistant Public Services Director. The Solid Waste Division provides residents with automated weekly pickup of household garbage, recyclables, and yard debris. In addition, the department provides supplemental fall leaf collection and periodic storm debris collection.

ECONOMIC & PHYSICAL DEVELOPMENT

Planning (acameron@vopnc.org)

The Planning and Inspections Director reports directly to the Village Manager and is a member of the senior leadership team. It is the mission of the Planning Department to preserve and enhance the unique character of the Village of Pinehurst and to manage and guide growth in ways that complement the quality of life. The Planning Department serves not only the residents of Pinehurst but the residents of the extra territorial jurisdiction. The Planning Department ensures that all activities are in compliance with the Pinehurst Development Ordinance and other applicable Village codes.

Community Development (jbatton@vopnc.org or dwillardson@vopnc.org)

The Community Development Department is managed by the two Assistant Village Managers who report directly to the Village Manager and are members of the senior leadership team. This department is responsible for managing the functions of economic development and marketing and promotion. The purpose of investing in economic development is to build and maintain a vibrant downtown for businesses, residents, and visitors alike and to improve upon the high quality of life already enjoyed in the Village.

CULTURAL AND RECREATION

Recreation (mwagner@vopnc.org)

The Parks & Recreation Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. This department is charged with providing the citizens of Pinehurst with a variety of recreational pursuits that permit the participants to truly enrich the quality of their lives. Leisure services provided give the participants the opportunity to learn and respect their abilities, strengths, and weaknesses as they move toward self-fulfillment and self-actualization of their expected potentials in life. Year-round programming includes classes, workshops, special events, facility rentals, athletic leagues, and camps. The department also coordinates activities at Cannon Park, Rassie Wicker Park (including the Arboretum), West Pinehurst Park, Tufts Park, and the Cannon Park Community Center.



Fair Barn (mwagner@vopnc.org)

The Fair Barn Division of the Parks and Recreation Department provides the management for the operations and maintenance of the Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been renovated to serve as a multi-purpose community gathering place. The division also manages varying capital improvements to the facility and surrounding grounds and provides marketing and promotion for the Fair Barn.



Harness Track (mwagner@vopnc.org)

The Harness Track Division of the Parks and Recreation Department provides the labor, supplies, expertise, equipment, and management for the operations and maintenance of the Harness Track facility. This division manages major and minor capital improvements while providing services to the standardbred trainers and other equine and non-equine related clients of the property. The facility consists of multiple harness tracks, a show ring, and 244 horse stalls in 17 barns. In 2015, the Village celebrated the Harness Track's 100th anniversary.



Library and Archives (amoriarty@vopnc.org)

In April 2022, the assets and operations of the Given Memorial Library and Tufts Archives were transferred into the Village's suite of services. The library functions as a free public library and has a collection of over 23,000 items including fiction, non-fiction, audio books, e-books, and reference materials. The library also serves as the curator of the Tufts Archives and the Pinehurst History Museum.



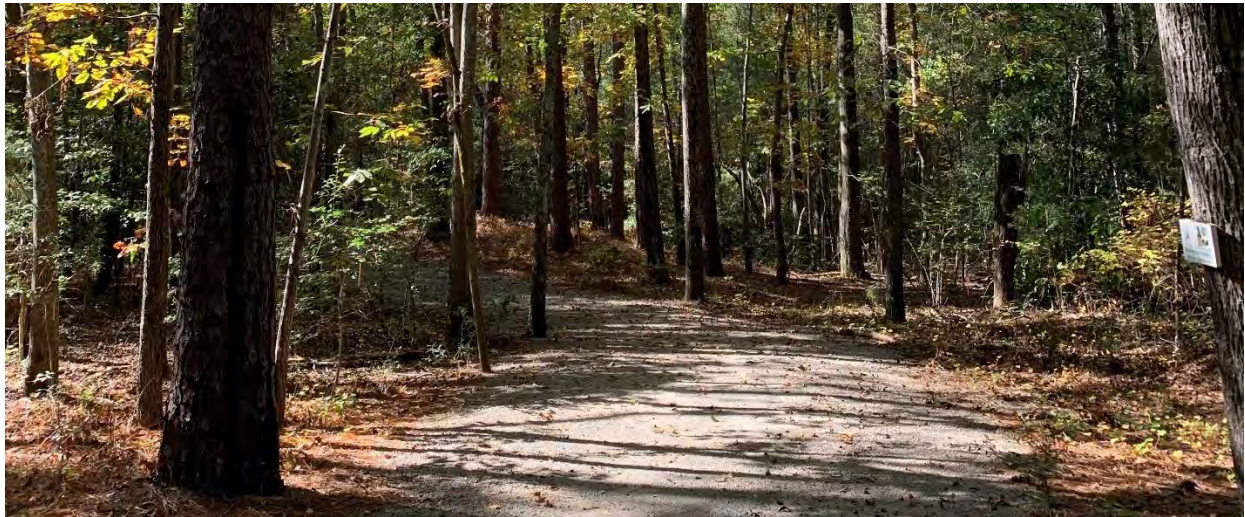
INTERNAL SERVICE DEPARTMENTS

Fleet Maintenance (jbatton@vopnc.org)

The Fleet Maintenance Department reports directly to the Assistant Village Manager of Operations. The Fleet Maintenance Department is responsible for providing regular and preventative maintenance for all vehicles and equipment operated by the Village. This department performs lube, oil, and filter changes, tire replacements and repairs, and engine and pump repairs. Fleet Maintenance personnel also maintain, repair, and replace pumps, motors, and generators at the ponds in the Municipal Service District and at the police and fire stations.

Buildings & Grounds Maintenance (kbrewer@vopnc.org)

The Buildings & Grounds Division reports directly to the Parks & Recreation Director. It is responsible for providing regular and preventative maintenance for all buildings owned by the Village and also for the grounds maintenance in the various parks and other facilities. This division coordinates repairs for all heating systems, electrical systems, and any other building systems as needed. The Buildings & Grounds Division is also responsible for miscellaneous building maintenance, such as replacing light bulbs, routine cleaning of system filters, mowing turf areas, upkeep of parks and greenway trails, and maintaining trees and shrubs.



Information Technology (jwhitaker@vopnc.org)

The Chief Information Officer reports directly to the Assistant Village Manager of Administration. The Information Technology Department provides hardware and software support to Village employees and is responsible for the maintenance and security of the Village's network infrastructure. The Information Technology Department is also responsible for the Village's internet and intranet web sites.

COUNCIL APPOINTED PLANNING BOARDS AND COMMISSIONS

Historic Preservation Commission (acameron@vopnc.org)

The Historic Preservation Commission (HPC) recommends design standards and guidelines for the Local Historic District to the Village Council. The HPC reviews and acts upon requests for any work requiring a Certificate of Appropriateness for new construction, additions, building alterations and demolitions within the Local Historic District. The HPC also recommends to the Village Council areas to be designated as “Historic Districts” and individual structures, buildings, sites, areas, or objects to be designated as “Landmarks.”



Planning and Zoning Board (acameron@vopnc.org)

The Planning and Zoning Board is an advisory board to the Village Council that reviews proposed amendments to the Pinehurst Development Ordinance (PDO); hears requests to change the zoning of property regulated under the PDO; makes recommendations to the Village Council for final action; performs studies and surveys of the present conditions and probable future development of the Village; formulates and recommends to the Village Council the adoption or amendment of comprehensive and other plans; reviews the regulations of the PDO from time to time as it deems appropriate or directed to do so by the Village Council; reviews and makes recommendations for site plans, developments, and subdivisions; and performs such additional powers and duties as may be set forth in the PDO and other Village laws and regulations.

Board of Adjustment (acameron@vopnc.org)

The Board of Adjustment (BOA) has jurisdiction to hear cases regarding variance requests from the provisions of the PDO and other land use related ordinances. The BOA also has jurisdiction to hear appeals regarding interpretations of the PDO; Historic District Standards and Guidelines and other land use related ordinances. Additionally, the BOA hears appeals of staff and other decision-making bodies' decisions to include the Historic Preservations Commission and the Village Council as it relates to administering the Historic District Standards and Guidelines and the PDO.

NEED MORE INFORMATION

The best source for additional information is our web site www.vopnc.org.

You can also call the numbers in the telephone listing below to get answers to specific questions.

ATHLETICS.....	910.295.2817
BILL INQUIRIES.....	910.295.1900
BROKEN WATER AND SEWER LINES (MOORE COUNTY UTILITIES).....	910.947.6315
BUDGET.....	910.295.1900
BUILDING CODE REQUIREMENTS.....	910.295.1900
BUILDING INSPECTIONS (Hotline).....	910.295.3192
BUILDING PERMITS.....	910.295.1900
CURB CUTS.....	910.295.5021
CUSTOMER SERVICE.....	910.295.1900
DRIVEWAY PERMITS.....	910.295.1900
ECONOMIC DEVELOPMENT.....	910.295.1900
FACILITY RENTALS.....	910.295.1900
FAIR BARN RENTALS.....	910.295.0166
FENCING REQUIREMENTS.....	910.295.1900
FINANCIAL SERVICES.....	910.295.1900
FIRE EMERGENCIES.....	911
FIRE DEPARTMENT – NON-EMERGENCY.....	910.295.5575
FIRE DEPARTMENT PUBLIC EDUCATION SERVICES.....	910.295.5575
FIRE PREVENTION.....	910.295.5575
GARBAGE AND TRASH COLLECTION.....	910.295.5021
GENERAL VILLAGE INFORMATION.....	910.295.1900
GEOGRAPHIC INFORMATION SYSTEM (GIS).....	910.295.1900
GIVEN MEMORIAL LIBRARY & TUFTS ARCHIVES.....	910.295.6022
HARNESS TRACK.....	910.295.5255
HISTORIC PROPERTIES.....	910.295.8664

HUMAN RESOURCES.....	910.295.1900
JUNK CARS.....	910.295.8665
MAPS.....	910.295.1900
NEIGHBORHOOD WATCH PROGRAM.....	910.295.3141
NOISE.....	910.295.3141
PARKS AND RECREATION.....	910.295.2817
POLICE EMERGENCIES.....	911
POLICE – NON-EMERGENCY.....	910.295.3141
PUBLIC INFORMATION.....	910.295.1900
RECYCLING.....	910.295.5021
REZONING MATTERS.....	910.295.8659
SETBACK REQUIREMENTS.....	910.295.8661
SEWER TAPS (MOORE COUNTY UTILITIES).....	910.947.6315
SIGN REQUIREMENTS.....	910.295.8659
SOLICITATION/DOOR-TO-DOOR PEDDLING PERMITS.....	910.295.1900
STREET RESURFACING.....	910.295.5021
TAXES (MOORE COUNTY TAX OFFICE).....	910.947.2255
TENT PERMITS.....	910.295.1900
TRAFFIC.....	910.295.1900
UNKEMPT LOTS/YARDS.....	910.295.8665
VILLAGE CLERK.....	910.295.1900
VILLAGE MANAGER.....	910.295.1900
VOTING (MOORE COUNTY BOARD OF ELECTIONS).....	910.947.3868
WATER AND SEWER LINE MAINTENANCE (MOORE COUNTY UTILITIES).....	910.947.6315
WATER TAPS (MOORE COUNTY UTILITIES).....	910.947.6315
WATERSHED REQUIREMENTS.....	910.295.8659
ZONING.....	910.295.8659



STRATEGIC OPERATING PLAN GUIDE

The *Strategic Operating Plan Guide* is designed to aid the reader in understanding the information contained in this document, how the document is formatted, and the processes for creating the Strategic Operating Plan (SOP). It is inclusive of the required annual balanced budget, the five-year financial forecast, and the five-year Capital Improvement Plan (CIP). The subsequent sections of the document dive into the detailed plans for Village operations and this guide will provide explanations for the vast amount of data and information that follows.

Because this section is intended to provide mostly background information, the reader is invited to exercise judgment when reading it and refer to other sections of the document for more detailed information.

This document has been prepared in accordance with the requirements of the Government Finance Officer's Distinguished Budget Award program. The Village has received this award for fifteen consecutive years and has been awarded the Special Performance Measures Recognition in four of those years.

What's New in the Document This Year?

In the spirit of continuous improvement, several enhancements have been made to the 2024 SOP. The most significant changes made in this year's document to make it more useful to the reader include:

- The *General Fund* section for each department has been updated with graphs illustrating critical key

performance indicators for the most recent four years. This enhances the reader's ability to analyze trends.

- The *General Fund* section for each department includes modifications to the Department Goals, Objectives, and Key Performance Indicator tables, adding a "Did we achieve our goal?" column and green, yellow, or red indicators. This allows the reader to easily assess the Village's performance against its goals.

We hope that you find these enhancements useful. If there is additional information you would like to see presented in future editions, please forward your request to Dana Van Nostrand, Financial Services Director at dvannostrand@vopnc.org.

Strategic Planning Process Overview

The Senior Leadership Team kicks off the strategic planning process with Senior Leaders Pre-Retreat Meeting in November. The purpose of this meeting is to analyze and correlate key data and Key Performance Indicators (KPIs), conduct a Strengths, Opportunities, Aspirations, and Results (SOAR) analysis, and identify key strategic advantages and challenges.

In late November or early December, the Village Council Pre-Retreat meeting is held with the Pinehurst Village Council, volunteer board chairpersons, and the Senior Leadership Team. The purpose of this meeting is to review the data and key findings, conduct an environmental scan, and to review and agree on

the SOAR analysis and strategic advantages and challenges identified at the Senior Leaders Pre-Retreat Meeting.

Next, the Village Council holds its annual two-day retreat in December. At this retreat, the Council affirms or modifies the Mission, Vision, and Values (MVV), identifies Balanced Scorecard (BSC) Areas of Focus, affirms or amends actions to address opportunities, reviews a preliminary five-year financial forecast, discusses major capital and workforce needs, and affirms the Village’s goals and objectives on the BSC.

In January, using the key inputs into the strategic planning process, the Council then sets target performance levels, based on comparisons to benchmark communities, for each of the KPIs on the BSC. Council and the Senior Leadership Team identify Initiative Action Plans (IAPs) to address strategic objectives that ultimately achieve the Village’s mission and vision. Senior leaders then develop and refine departmental goals, KPIs, IAPs and Opportunities for Improvement & Innovation (OFIs) for the next five years, and funding requests to address Council goals and objectives, address strategic challenges and opportunities, and achieve BSC target performance levels.

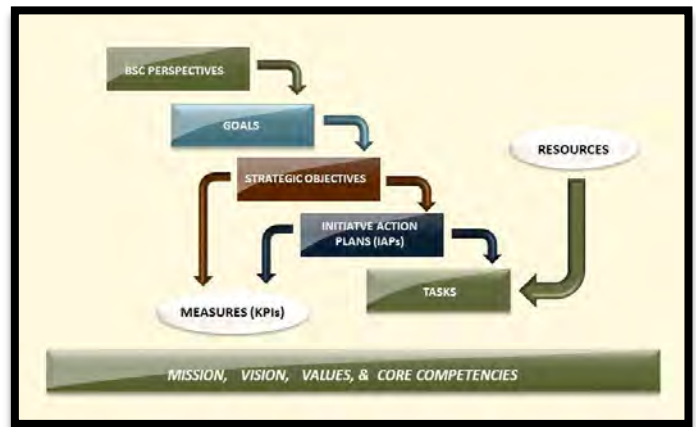
All IAPs, OFIs, and funding requests are evaluated in consultation with Department Heads by the Strategic Planning Team, which consists of the Village Manager, Assistant Village Managers, Human Resources Director, Financial Services Director, and Organizational Performance Director. In addition to evaluating the financial and workforce capacity needed to implement and maintain the IAP, the Strategic Planning Team also evaluates the associated risks of actions.

To determine the Village’s financial capacity to fund the SOP, staff prepares a five-year financial forecast. This forecast projects anticipated revenues and expenditures for the planning period, inclusive of expected operating

revenues and costs for planned IAPs, OFIs, and projected capital expenditures included in the five-year CIP.

The SOP is prepared in accordance with the Village’s Fund Balance Policy, with projected revenues and expenditures resulting in a General Fund fund balance of at least 30% of budgeted expenditures during the planning period. Please see the *Strategic Priorities* section of this document for a more detailed discussion of the strategic planning process.

Staff present a preview the SOP to the Council at a public meeting in April to obtain Council’s feedback on the plan. The proposed SOP is then presented to the Village Council for review in May. The Council holds one or more budget work sessions which are open to the public and then conducts the required public hearing on the proposed budget to allow for public comment. Before June 30 of each year, the Village Council adopts the annual budget ordinance that becomes effective July 1 and includes appropriations for IAPs outlined in the SOP.



Village of Pinehurst Strategic Planning Overview

Strategic Operating Plan Calendar

The Village utilized the following schedule in preparing and adopting the 2024 Strategic Operating Plan and FY 2024 Budget:

Dates	Activity
November 16, 2022	Senior leadership team holds Pre-Retreat Meeting
December 2, 2022	Village Council holds Pre-Retreat Meeting
December 8-9, 2022	Village Council holds Strategic Planning Retreat
January 10, 2023	Village Council approves Balanced Scorecard with Key Performance Indicators target performance levels
January 25, 2023	FY 2024 Strategic Operating Plan (SOP) Kickoff Meeting and training session for senior leadership
February 23, 2023	Senior leaders submit completed departmental SOP forms to the Financial Services Department
March and April 2023	Financial Services Department estimates revenues in conjunction with senior leader input and consolidates departmental requests
March 20-24, 2023	Strategic Planning Team holds Strategic Operating Plan Workshops with senior leaders to discuss their submitted plans
March 30, 2023	Strategic Planning Team develops Strategic Operating Plan with long-term staffing and capital plan included
April 25, 2023	Village Manager presents the Strategic Operating Plan Preview to the Village Council
May 4, 2023	Village Manager submits the draft Strategic Operating Plan to the Village Council
May 9, 2023	Village Manager presents the Strategic Operating Plan to the Village Council at a Council meeting
May 17 & 18, 2023	Village Council holds work sessions to review Strategic Operating Plan and FY 2024 Budget
May 23, 2023	Village Council holds a public hearing on the FY 2024 Budget
June 13, 2023	Village Council adopts the Strategic Operating Plan and the FY 2024 Budget Ordinance
July 1, 2023	2024 SOP is implemented
July 10, 2023	Financial Services Department publishes the final 2024 SOP and distributes documents



FINANCIAL POLICIES

Financial Policies

Summary

The Village of Pinehurst's budgetary and financial policies set forth basic guidance for the fiscal management of the Village. Most of the policies represent long standing principles and traditions with its legal framework outlined in both the North Carolina General Statutes (NCGS) and the Village's Ordinances. These policies, though general in statement, contribute to the Village's financial stability. The major financial policies of the Village are summarized below.

Council Adopted Policies

Investment Policy

The Village Council adopted Investment Policy states the Village will consolidate cash balances to ensure maximum investment of idle cash. The criteria for selecting an investment will include safety, liquidity, and yield. The Village will invest only in quality issues that comply with the North Carolina Budget and Fiscal Control Act and the Village's Investment Policy. Management reports on its investment portfolio to the Village Council on a quarterly basis. This policy is reviewed annually and updated as needed.

Fees and Charges Policy

The Village Council adopted Fees and Charges Policy is used to set fees and charges at an appropriate level that is consistently applied to all users. Charging fees for elective services efficiently transfers the cost of providing those services to the service recipient. Fees charged

by the Village are intended to cover the full cost of providing a service that can be directly identified. The exception to this is Recreation programs where only direct costs are intended to be recovered. The Village's Fees and Charges Policy requires the Financial Services staff to evaluate and update the fee schedule each year.

Fund Balance Policy

The Village Council adopted Fund Balance Policy states the Village will maintain operating reserves by maintaining a healthy fund balance. The Village's adopted Fund Balance Policy requires management to maintain unassigned General Fund fund balance, as reported in the Village's Annual Comprehensive Financial Report, of greater than 15% of actual General Fund expenditures as reported in the Annual Comprehensive Financial Report for the year audited. Unassigned fund balance is the portion of fund balance that is not restricted and is available for appropriation. In addition, when preparing the annual General Fund budget, the total appropriated fund balance should result in anticipated ending total fund balance at a minimum of 30% of budgeted expenditures. In FY 2021, Council amended the Fund Balance Policy to include a provision to commit fund balance in excess of 40% of actual General Fund expenditures for future capital needs.

Other Financial Guidelines

Operating Budget Guidelines

Pursuant to the North Carolina General Statutes Article 159-11 the Village will adopt a balanced budget, which provides a work program and an operational plan for the ensuing year.

A balanced budget as defined by the North Carolina Local Government Budget and Fiscal Control Act is when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund.

The Village will maintain a program of budgetary controls to ensure adherence to the budget. Each month, electronic financial information is prepared for department heads and management along with quarterly reports prepared for the Village Council to assist in the monitoring of actual revenues, expenditures, and budgeted amounts. In addition, the Village will retain an independent accounting firm to perform an annual financial and compliance audit in accordance with general accepted accounting practices and by the Governmental Accounting, Auditing, and Financial Reporting (GAAFR) standards.

Operating Margin Guideline

When developing the Five-Year Financial Forecast, one strategy to ensure that there are adequate funds for both operating and capital needs is to monitor the operating margin. Village Managers have set a target range of no more than 89%-91% of operating revenues to be spent on operating expenditures. This ensures that 9%-11% of operating revenues are available for capital replacement or capital reserve.

Revenue Guideline

The Village will maintain a diversified and stable revenue program to protect it from short-term fluctuations of any one revenue source. As a part of the normal budget process, the Village will review and estimate revenues in an objective and realistic manner. Attempts will be made to secure additional revenue sources to offset any reductions of federal, state, or local funding.

Debt Guideline

The Village takes a planned approach to the management of its long-term debt issuances. The Village will consider the use of long-term debt financing only when it meets the following criteria:

- The financing period is no longer than the estimated life of the improvement, and
- The improvement will benefit both current and future citizens of the Village.

The Village strives to limit total debt service to no more than 15% of General Fund expenditures, with a general goal of 10% of General Fund expenditures. By state law the Village must limit the total of all debt issued to no more than eight percent of the total assessed valuation. The Village follows a policy of full disclosure on every financial report. The Village may utilize the authority granted within the General Statutes for lease or installment purchases when deemed appropriate.

Capital Improvement Plan Guideline

The Village will maintain a five-year Capital Improvement Plan (CIP), which will be reviewed and updated as part of the annual strategic planning process. Since capital improvements involve large sums of capital and long-term commitments, each capital project will be carefully analyzed before it becomes a component of the program. The Village takes a systematic approach to capital improvement programming to ensure that any personnel services, operating expenditures, or revenues affected by capital spending decisions are included in the appropriate operating budget. The Village will protect and maintain its capital investments to reduce replacement cost. As part of the CIP, the Village will project its revenues and expenses from operations for a five-year planning horizon.

Budget Requirements

Basis of Accounting and North Carolina Local Government and Fiscal Control Act

The budget is prepared using the modified accrual basis of accounting for all funds. This approach to accounting recognizes revenues when they become measurable and expenditures at the time liability is incurred. All revenues and expenditures must be included in the annual budget ordinance or the appropriate capital and/or grant project ordinances. Any operational appropriations that are not expended or encumbered shall lapse. The Village of Pinehurst uses the modified accrual method as the basis for budgeting, accounting, and for financial reporting.

The North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) controls how municipalities budget and spend money. The major effects of the LGBFCA on the budgetary process are described below.

Budget Calendar

The LGBFCA establishes the dates by which each stage in the annual budget process is to be completed (G.S. 159-10 through 13). These dates are as follows:

- Departmental requests must be submitted to the Budget Officer by April 30.
- Revenue requests must be submitted to the Budget Officer by April 30.
- The recommended annual budget must be submitted to the Governing Board by June 1.
- The Governing Board must adopt the annual budget ordinance by June 30.

Budget Forms and Procedures

The Budget Officer (Village Manager) must prescribe the forms and procedures for the departments to use in preparing their requests; in the words of G.S. 159-10, requests “shall be made in such form and detail, with such supporting information and justifications, as the budget officer may prescribe.” G.S. 159-10 also

requires that a budget request show actual expenditures for the prior year, estimated ones in the current year, and requested ones for the coming budget year.

Departmental Requests

G.S. 159-10 requires that the budget request for a department include revenues or fees that it will collect in the budget year.

Recommended Budget

G.S. 159-11 requires that the Budget Officer’s recommended budget be balanced unless the Governing Board insists that an unbalanced budget be submitted. **A balanced budget as defined by the North Carolina Budget and Fiscal Control Act is when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund.** It is also required that the budget be submitted to the Governing Board with a budget message. G.S. 159-11(b) states that the message should include:

- A concise explanation of the governmental goals fixed by the budget for the budget year.
- Important features of the activities anticipated in the budget.
- The reasons for stated changes from the previous year in program goals, programs, and appropriation levels.
- Any major changes in fiscal policy.

Governing Board Review

Once the recommended budget is presented to the Governing Board, several general legal provisions apply to Board review and adoption of the budget ordinance.

- At least 10 days must pass between the submission of the recommended budget and adoption of the budget ordinance.
- On the same day the budget is submitted to the Governing Board, the Budget Officer must file a copy of it in the Village Clerk’s Office where it is made available to the public and press.

- The Village Clerk must publish a notice that the budget has been delivered to the Governing Board and is available for public inspection. This advertisement must also note the time and place of the required public hearing.
- During the time between submission and adoption, the Governing Board may conduct its review at both regular and special meetings. At least one of these dates must be a public hearing at which any person who wishes to comment may.
- The Open Meeting Law (G.S. 143-318.9 through 318.18) applies to the budget preparation and adoption process.

Adoption of the Budget Ordinance

The budget ordinance must contain the appropriations, the estimated revenues, and the property tax levy as well as rate.

Budget Adoption and Amendment

The operations conducted by the Village are guided by the annual budget ordinance adopted in accordance with the provisions of the North Carolina Local Government Budget and Fiscal Control Act. The budget ordinance must be

balanced and adopted prior to the beginning of the Fiscal Year. Adoption of the budget by the Village Council establishes the legal authority to incur expenditures in the ensuing fiscal year.

After the adoption of the budget ordinance, the Budget Officer (Village Manager) is authorized to transfer appropriations between line-item expenditures within a department without making an official report to the Village Council. He may also transfer amounts between functional areas, including contingency appropriations, within the same fund to increase an appropriation up to \$25,000 in a single budget amendment. These transfers, however, require an official report at the next regular meeting of the Village Council. In the event a State of Emergency is declared by the Mayor or designee, the Budget Officer is granted unlimited budget amendment authority within the same fund for expenditures directly related to the emergency. These transfers also require an official report at the next regular meeting of the Village Council. All other revisions or budget amendments must be approved by the Village Council through legislative action.



Budget Format

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Currently, the Village maintains two funds: the General Fund and the Library Expansion Capital Project Fund. The Public Services Relocation Capital Project Fund is expected to be created in FY 2024 and the Fire Station 93 Capital Project Fund is expected to be created in FY 2028. As this is subject to change in any year, information on other fund types is also provided.

A fund is one of two types: an operational fund or a project fund. Council appropriates operational funds on an annual basis and an activity's funding lapses at the close of the fiscal year. Project funds continue for the life of each specific capital or grant project with appropriations continuing until the project is finished.

It has been established that budgets, while managed by funds, are also managed by functions. The functions designate the actual use of the funds. For example, the function of the Police Department is Public Safety and the function of the Financial Services Department is General Government.



How do the individual departments fit into the functional and fund accounting process? Each department is a subsection of both a function and a fund. Each department or division belongs to one fund and one function. A fund can include any number of departments, including departments of different functions. A function can include departments from many funds.

About the Document Presentation

This document contains a wealth of diversified information. This information can be found on a departmental, functional, or fund level. This document places a distinct emphasis on the Village's departments and divisions because these pages represent the plans of the people who are charged with the duty of providing services to citizens.

All of the individual department revenues and expenditure totals are consolidated for each fund, which present the "bottom line" of the budget. The following information details the types of funds the Village has and a list of the various funds within each fund type:

The **General Fund** is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund is established at the inception for a government and exists throughout the government's life. The General Fund is currently the only annually appropriated fund included in the budget document.

Capital project funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds and trust funds. The Village has three capital project funds planned at this time: the **Library Expansion Capital Project Fund**, the **Public Services Relocation Capital Project Fund**, and the **Fire Station 93 Capital Project Fund**. The Village Council is expected to establish the public services relocation fund in FY 2024 and the fire station fund in FY 2028.

Special revenue funds are used to account for special revenues that are legally restricted to expenditure for a particular purpose. The Village has no special revenue funds at this time.

The departmental budget presentations are summaries of all expenditures and revenues associated with each department’s activities. Because the Village’s accounting structure contains hundreds of individual budget line items, the Village has consolidated these items into major classifications for a summarized presentation. For example, expenditures are grouped into three categories: Salaries & Benefits, Operating, and Capital. This consolidation facilitates comparisons between different groups of data and aids the reader in making comparisons between the different functions. Please contact the Financial Services Department at 910.295.1900 if further detail is needed.

In the *General Fund* section, the reader will find information on the individual department’s budget that outlines the department’s profile, budget summary, initiative action plans (IAPs), and key performance indicators (KPIs). Please note that all financial tables in the budget document present the same three-year format. The following illustration is an example of the Budget Summary expenditure tables that can be found throughout the document:

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 238,105	\$ 266,200	\$ 259,700	\$ 279,400	5.0%
Operating	316,867	369,060	366,565	359,540	-2.6%
Capital	102,345	227,256	227,256	231,013	1.7%
Expenditures Total	\$ 657,317	\$ 862,516	\$ 853,521	\$ 869,953	0.9%

Some departments do not have activity in all categories and the reader will note that they are not included in the summary. For example, the Powell Bill Department does not have any employees and therefore does not show any Salaries & Benefits. The same is noted for revenues as each department is funded by different revenue sources.

The table of Department Goals, Objectives, and Key Performance Indicators (KPIs) provides department goals that cascade directly from organization-wide strategic goals and information on KPIs that are used to monitor the achievement of department goals. The strategic goal the department supports is listed to illustrate the linkage between the departmental goal and the Council’s Balanced Scorecard. Each KPI is identified as an input, output, efficiency, or effectiveness measure. In addition, the vast majority of department KPIs are considered “lead” measures that are routinely monitored throughout the year.

Department objectives are stated in terms of KPIs. Using the example below, one of the Administration Department’s objectives related to the goal listed for FY 2024 is to have 95% of volunteers recommend volunteering for the Village to a friend.

The FY 2024 and FY 2028 KPI data represent projections of performance given the amount of resource allocation provided in the five-year plan, including staffing and operating budgeted/forecasted funds. These are the levels of performance that departments expect to achieve in these time periods. While they are titled as projections, they also represent the target performance levels, or goals for the department.

Below is an example explaining the Department Goals, Objectives, and Key Performance Indicator table column headings in the *General Fund* section:

Strategic Goal: Attract and retain an engaged workforce	Department Goal: Recruit, train, engage, and reward volunteers						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of volunteers who would recommend volunteering for the Village to a friend	96%	94%	●	95%	95%	95%
Strategic Goal: Attract and retain an engaged workforce	Department Goal: Ensure effective two-way communication with the workforce						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of workforce who are satisfied with annual State of the Village meetings	100%	100%	●	99%	98%	98%

Callouts and Legend:

- The strategic goal from the Balanced Scorecard (points to the top-left header)
- Historical performance data is provided whenever available (points to the FY 2021 and FY 2022 columns)
- The level of performance the Village expects to achieve for the fiscal year (points to the FY 2024 Proj. column)
- Specific performance outcome that is being measured (KPI) (points to the KPI description)
- Department goal (points to the Department Goal header)
- Goal achievement indicator:
 - Met or exceeded goal (green dot)
 - Room for improvement (yellow dot)
 - Review for improvement (red dot)
- Projected performance level for next year (points to the FY 2023 Est. column)
- Long-term performance projection (points to the FY 2028 Proj. column)

STRATEGIC PRIORITIES

Strategic Priorities Overview

The Village of Pinehurst Strategic Operating Plan (SOP) is a tool used to develop and communicate the Village’s strategic priorities for the upcoming fiscal year and the five-year planning period. This section of the SOP identifies the Village’s strategic priorities to advance its vision to be a “charming, vibrant community which reflects our rich history and traditions.”

Strategic priorities consist of nine strategic goals that are established by the Village Council. Each year, the Council and senior staff update the SOP based on a review of the current environment at their annual strategic planning retreat in December. For each strategic goal, the Council has identified strategic objectives with Key Performance Indicators (KPIs) to demonstrate the Village’s performance in achieving desired outcomes. The Village uses a Balanced Scorecard (BSC) to integrate strategic planning and resource allocation. The BSC uses four perspectives to ensure a balanced approach to evaluating achievement of organizational strategy:

1. Customer – Delivering the services customers want at the level desired
2. Internal – Enhancing services through continuous improvement
3. Workforce – Developing an engaged workforce to provide quality services
4. Financial – Managing resources to ensure financial sustainability



Strategic Planning Process

The maturation to a strategy-focused organization began with the implementation of the Baldrige Excellence Framework in FY 2012, when the Village embarked on its continuous process improvement effort and began participating in the North Carolina Awards for Excellence program.

The Senior Leadership Team kicks off the Strategic Planning Process (SPP) with the Senior Leaders Pre-Retreat Meeting in November. The purpose of this meeting is to analyze and correlate key data and KPIs, conduct a Strengths, Opportunities, Aspirations, and Results (SOAR) analysis, and identify key strategic advantages and challenges.

In late November or early December, the Village Council Pre-Retreat meeting is held with the Pinehurst Village Council, volunteer board chairpersons, and the Senior Leadership Team. The purpose of this meeting is to review the data and key findings, conduct an environmental scan, and to review and agree on the SOAR analysis and strategic advantages and challenges identified at the Senior Leaders Pre-Retreat Meeting.

Next, the Village Council holds its annual two-day retreat in December. At this retreat, the Council affirms or modifies the Mission, Vision, and Values (MVV), identifies the BSC Areas of Focus, affirms or amends actions to address Strategic Opportunities, reviews a preliminary five-year financial forecast, discusses major capital and workforce needs, and affirms the Village's goals and objectives on the BSC.

In January, using the key inputs into the SPP, the Council then sets target performance levels, based on comparison to benchmark communities, for each of the KPIs on the BSC. Council also confirms Areas of Focus (AOF) based on performance levels relative to benchmarks and comparisons, strategic challenges, strategic opportunities, and community survey areas for improvement. Areas of Focus include those strategic objectives where increased resources are needed to enhance performance levels articulated with KPIs on the Village BSC.

With goals, objectives, and performance levels set, Council and the Senior Leadership Team identify Initiative Action Plans (IAPs) to address strategic objectives that ultimately achieve the Village's mission and vision. Senior Leaders then develop and refine departmental goals, KPIs, IAPs, and OFIs for the next five years, and funding requests to address Council goals and objectives, address strategic challenges and opportunities, and achieve BSC target performance levels. Department BSCs can be found in the *General Fund* section of the SOP.



All IAPs, Opportunities for Improvement and Innovation (OFIs), and funding requests are evaluated in consultation with Department Heads by the Strategic Planning Team, which consists of the Village Manager, Assistant Village Managers, Human Resources Director, Financial Services Director, and Organizational Performance Director. In addition to evaluating the financial and workforce capacity needed to implement and maintain the IAP, the Strategic Planning Team also evaluates the associated risks of actions. Mitigating actions intended to minimize risks are then incorporated into action plan steps. Finally, any workforce training needs associated with an IAP are incorporated into annual training plans and any additional workforce capacity needed is included in the five-year staffing plan.

To determine the Village's financial capacity to fund the Strategic Operating Plan (SOP), staff prepares a financial forecast that is included in the *Five-Year Financial Forecast* section of the SOP. Several assumptions are made relative to revenues and expenditures based on historical trends and future projections. The five-year projections include the five-year Capital Improvements Plan (CIP) and address all projected costs associated with Council approved IAPs. The five-year financial forecast is developed to ensure fund balance remains at a minimum of 30% of budgeted expenditures in accordance with the Village Council's adopted Fund Balance Policy. In addition, the five-year financial forecast is developed to ensure projected operating margins fall within acceptable levels to allow for adequate levels of future capital investment.

In developing the five-year CIP, the Strategic Planning Team reviews and determines the Fleet and IT replacement schedules and plans for other major capital improvements with the respective department heads. Based on the overall financial projections, the Strategic Planning Team determines which capital investments are best suited for installment financing to ensure there is adequate financial capacity for any required annual debt service.

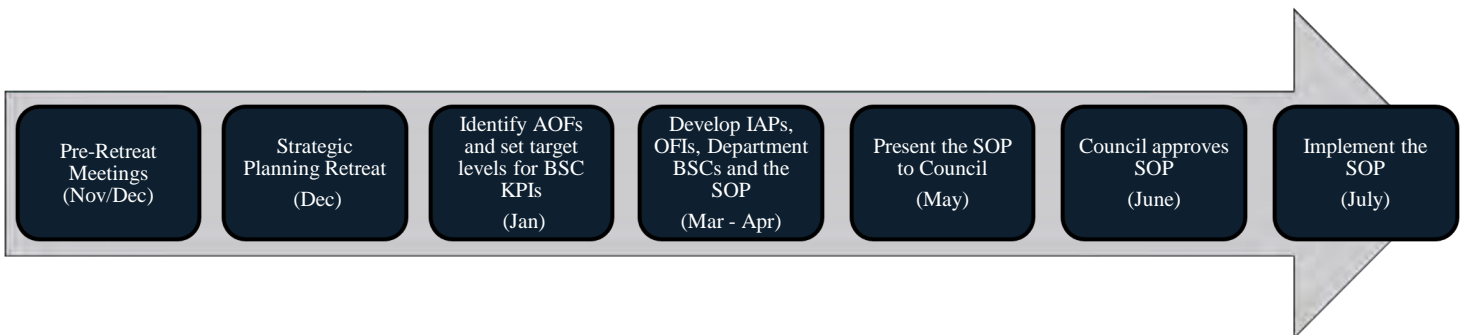
The five-year financial forecast for the General Fund FY 2024-2028, which is described more fully in the *Five-Year Financial Forecast* section of the SOP, is summarized below.

Five Year Financial Forecast					
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Tax Rate per \$100 valuation	\$ 0.23	\$ 0.23	\$ 0.24	\$ 0.24	\$ 0.24
General Fund Operating Revenues	\$ 26,306,200	\$ 26,372,700	\$ 27,130,500	\$ 27,389,300	\$ 28,300,100
General Fund Operating Expenditures	24,046,900	24,972,320	26,496,387	27,249,392	28,227,514
Operating Income	\$ 2,259,300	\$ 1,400,380	\$ 634,113	\$ 139,908	\$ 72,586
Other Financing Sources	25,100	-	-	-	-
Transfer to Capital Project Funds	80,000	4,000,000	3,000,000	-	-
Capital Expenditures	2,804,500	3,600,500	2,467,000	3,806,500	3,981,000
Total Expenditures	\$ 26,931,400	\$ 32,572,820	\$ 31,963,387	\$ 31,055,892	\$ 32,208,514
Budget to Actual Variance ¹	2,305,425	2,322,871	2,444,139	2,509,593	2,585,618
Projected Actual Gain/(Loss)	\$1,705,325	\$(3,877,249)	\$(2,388,747)	\$(1,156,999)	\$(1,322,796)
Fund Balance as a % of Total Exp.	68.4%	44.6%	38.0%	35.4%	30.0%
Estimated Operating Margin	84.2%	87.2%	89.9%	91.6%	91.8%

¹ Assumes actual operating revenues of 101% of budget and actual operating expenditures of 92% of budget

Once financial capacity for IAPs, projects, and the baseline budget is determined, staff prepares and presents the Village’s Strategic Operating Plan to the Village Council for review and approval. As required by NC General Statutes, the Council holds a budget public hearing each year prior to adoption to allow residents the opportunity to comment on the recommended budget. The Village also provides residents an opportunity each year to provide input on the SOP electronically using the Village’s online public engagement platform.

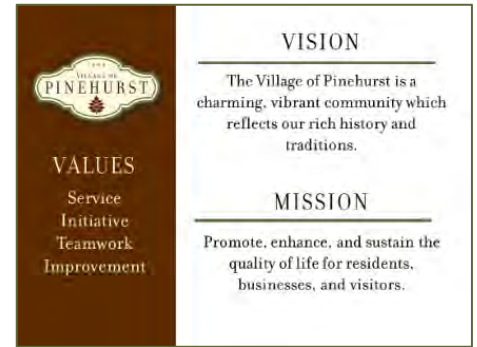
The following diagram indicates the key steps and timing of the Strategic Planning Process:



Key Inputs into the 2024 Strategic Operating Plan

Mission, Vision, and Values

At the December 2022 Council Retreat, the Council affirmed the Village’s mission, vision, and core values. The vision is what we aspire for our Village to be, while the mission provides purpose to our Village Council, staff, and volunteers. The Village core values are the guiding principles and behaviors that embody how Village employees are expected to operate as they provide services to Pinehurst residents, businesses, and visitors.



Core Competencies

Core competencies represent those areas of the Village’s greatest expertise and are those strategically important capabilities that are central to fulfilling the Village’s mission. At the December 2022 retreat, the Council reviewed and affirmed the core competencies of the Village to include:

1. Systematic approach to continuous improvement
2. Engagement of volunteers
3. Leverage technology

Strategic Challenges & Opportunities

Strategic challenges are pressures that exert an influence on the likelihood of our Village’s future success. Strategic opportunities are those prospects for new or changed services or processes. The strategic challenges and strategic opportunities identified by the Village Council for FY 2024 are indicated below. The FY 2024 SOP was developed to address each of these challenges and opportunities.

Strategic Challenges	Opportunities
<ol style="list-style-type: none"> 1. Managing the quality of development 2. Increasing traffic volume and congestion 3. Managing growth in a way that protects the Village’s character 4. Limitations on development regulatory authority 5. Cost escalation 6. Tightening labor market 7. Overall tourism (golf, medical, etc.) 	<ol style="list-style-type: none"> 1. Use small area planning to provide business opportunities across the Village. 2. Improve the effectiveness of our vehicular transportation systems. 3. Promote high-quality development and design. 4. Become a pedestrian-friendly community. 5. Pursue regulatory authority around our borders. 6. Consider new open spaces and amenities within neighborhoods. 7. Expand and enhance stormwater management efforts. 8. Evaluate possible expansion and construction of new Village facilities. 9. Address planning needs for Focus Areas 1 and 5. 10. Cement long-term relationship with the USGA. 11. Support the Village Center through the execution of the downtown enhancement plan. 12. Balance tourism with quality of life for our residents.

Strategic Advantages

Strategic advantages are those benefits that exert a significant positive influence on the Village’s likelihood of future success and are our source of competitive success.

The strategic advantages identified by the Village Council for FY 2024 are:

1. Integrated and extensive use of technology
2. Culture of continuous improvement
3. Customer focused workforce
4. Strong financial condition
5. Integrated strategy planning processes
6. Robust Performance Measurement System
7. Brand strength

SOAR (Strengths, Opportunities, Aspirations, and Results) Analysis

The Council also conducted a SOAR analysis at their December 2022 Pre-Retreat Meeting and identified organizational and community strengths, opportunities, aspirations, and results. Village Council and senior staff used this analysis to determine key strategic advantages, opportunities, and results to monitor.

Environmental Scan

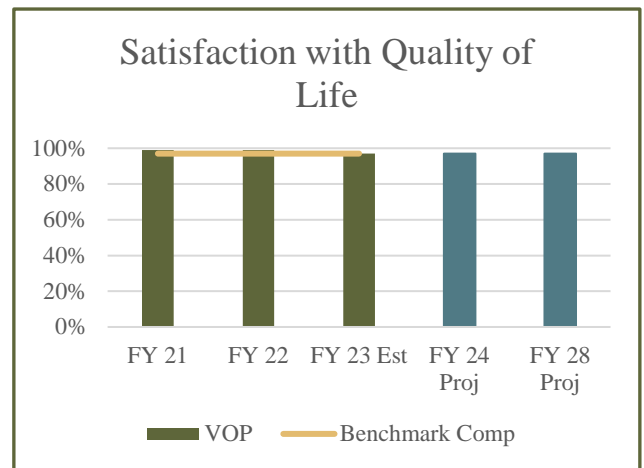
The environmental scan consists of a review of critical data and information that can impact service delivery. During the Pre-Retreat Meetings, the team conducted an external scan and reviewed key community and societal trends, economic trends, and uncertainties or potential blind spots. The team also conducted a comprehensive data review by BSC goal to review customer, internal, workforce, and financial results. The data used in the analysis included customer satisfaction results (annual Community and Business Surveys), workforce survey results, results from the Village’s BSC and results from departmental BSCs. Historical performance results were analyzed relative to benchmarks and comparisons and key results were correlated when appropriate. Community survey results were segmented by neighborhood, resident age, and length of residence to facilitate further analysis. Workforce results were also segmented by department group, role, age, and tenure.

FY 2024 Strategic Goals, Objectives, and Key Performance Indicators

The Council’s strategic goals, objectives, and KPIs for each of the four perspectives of the 2024 BSC are detailed on the following pages.

At the core of the BSC is the Village’s mission to “promote, enhance, and sustain the quality of life for residents, businesses, and visitors.” The Village measures its mission by asking residents to rate the overall quality of life in the Village during the annual community survey conducted by ETC Institute. In the 2022 resident survey, **99% of respondents indicated they were satisfied with their quality of life**, which exceeds or ties all benchmark comparisons.

All KPIs on the BSC are considered “lag” performance measures that indicate performance levels at the end of the fiscal year. The vast majority of customer perspective KPIs are annual resident satisfaction survey results from the community survey administered by ETC Institute. The statistically valid survey produces results with a 95% level of confidence and a margin of error of +/-3.4%. Department BSCs contain “lead” performance measures that measure key Village processes and are monitored either daily, weekly, monthly, or quarterly by senior leaders to ensure the Village achieves the desired “lag” performance targets set on the BSC. The BSC community survey results group neutrals within satisfaction levels.



FY 2024 Balanced Scorecard

MISSION: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Goal We intend to...	Strategic Objective How we will...	KPI #	KPI Description How do we know...	Actual FY 22	Est FY 23	ST Goal FY 24	LT Goal FY 28
Safeguard the community	Deliver effective fire and rescue services	1.1	% of residents satisfied with fire services	100%	99%	95%	95%
		1.2	% of residents satisfied with how quickly fire personnel respond to emergencies	99%	99%	95%	95%
		1.3	Five-year rolling average of property value saved, as a percentage of property value at risk in fires	99%	99%	>85%	>85%
	Deliver effective police services	1.4	% of residents whose overall feeling of safety in the Village is good or excellent	96%	95%	95%	95%
		1.5	% of residents satisfied with police services	98%	95%	95%	95%
		1.6	Crime rate per 1,000 residents	32	39	<40	<40
Promote high-quality neighborhoods, development, and appearance	Develop codes and ordinances to protect the character of Village neighborhoods AOF	2.1	% of residents satisfied with the quality of new residential development	79%	80%	80%	85%
		2.2	% of residents satisfied with the quality of new commercial development	81%	80%	80%	85%
		2.3	% of residents satisfied with Village efforts to maintain the quality of your neighborhoods	85%	90%	90%	90%
	Enforce codes and ordinances to protect the character of Village neighborhoods	2.4	% of residents satisfied with the enforcement of Village codes and ordinances	85%	85%	85%	85%
	Maintain and enhance the appearance of public spaces	2.5	% of residents who rate the overall appearance of public spaces across the Village as good or excellent	92%	94%	93%	93%
Promote a thriving business community	Support the business community AOF	3.1	% of businesses satisfied with the overall quality of Village services	90%	95%	95%	95%
		3.2	% of businesses likely to recommend the Village as a business location	89%	91%	90%	90%
Promote transportation mobility and connectivity	Provide a safe and effective multi-modal transportation system AOF	4.1	% of residents satisfied with the availability of walkways in your neighborhood	69%	71%	70%	75%
		4.2	% of residents satisfied with the availability of greenway/walking trails across the Village	94%	94%	90%	90%
		4.3	# of collisions per 1,000 residents	38	35	40	40
	Maintain high quality streets	4.4	% of residents satisfied with the adequacy of street lighting	72%	72%	70%	70%
		4.5	% of residents satisfied with street and right of way maintenance	90%	87%	85%	85%
Preserve the environment	Manage stormwater systems	5.1	% of residents satisfied with the quality of stormwater management	83%	82%	85%	85%
	Provide effective and efficient solid waste collection services	5.2	% of residents satisfied with solid waste services	97%	95%	95%	95%
	Conserve natural resources	5.3	% of residents satisfied with promotion of natural resource conservation	92%	90%	90%	90%
		5.4	% of refuse diverted from the landfill	22%	20%	20%	20%
Promote active living and cultural opportunities	Provide recreation programs and facilities	6.1	% of residents satisfied with P&R programs	98%	98%	95%	95%
		6.2	% of residents satisfied with P&R facilities	98%	97%	95%	95%
	Provide cultural services and events	6.3	% of residents satisfied with Village sponsored cultural arts events	97%	93%	90%	90%
	Provide Library and Archive services	6.4	% of residents satisfied with Given Memorial Library services	95%	95%	95%	95%
		6.5	% of residents satisfied with the Tufts Archives	99%	95%	95%	95%

BALANCED SCORECARD

	Goal We intend to...	Strategic Objective How we will...	KPI #	KPI Description How do we know...	Actual FY 22	Est FY 23	ST Goal FY 24	LT Goal FY 28
Internal	Professionally manage a high-performing organization	Communicate with and engage the community	7.1	% of residents satisfied with Village communications	96%	95%	95%	95%
			7.2	% of residents satisfied with the level of public involvement in local decisions	87%	88%	85%	85%
		7.3	Provide a high level of customer service	% of residents satisfied with customer service provided by VOP staff	98%	98%	95%	95%
		7.4	Continuously improve and innovate	% of residents satisfied with the value received for taxes paid	95%	92%	90%	90%
		7.5	Maintain Village assets	% of depreciable life remaining on capital assets	44%	47%	40-60%	40-60%

	Goal We intend to...	Strategic Objective How we will...	KPI #	KPI Description How do we know...	Actual FY 22	Est FY 23	ST Goal FY 24	LT Goal FY 28
Workforce	Attract & retain an engaged workforce	Provide a supportive and rewarding work environment	8.1	% of employees who agree that overall they like their job	95%	98%	95%	95%
			8.2	% of volunteers who agree that overall they like their role	96%	99%	95%	95%

	Goal We intend to...	Strategic Objective How we will...	KPI #	KPI Description How do we know...	Actual FY 22	Est FY 23	ST Goal FY 24	LT Goal FY 28
Financial	Maintain a healthy financial condition	Meet or exceed established financial targets	9.1	Total General Fund fund balance as a % of actual expenditures*	73%	55%	>30%	>30%
			9.2	General Fund operating margin*	80%	88%	81%-91%	81%-91%
			9.3	General Fund debt service ratio*	0.05%	0.0%	<10%	<10%

*ST and LT goals are based on established financial policies.

Items in red are **Areas of Focus (AOF)** based on VOP performance levels relative to benchmarks and comparisons, strategic challenges, opportunities, and community survey areas for improvement.

Initiative Action Plans (IAPs)

The total costs below for the seven FY 2024-2028 IAPs include implementation and ongoing operating and maintenance costs associated with the IAP. Financial resources have been prioritized to address Council’s strategic objectives and Areas of Focus, thereby helping to ultimately achieve the goals on the BSC.

FY 2024-2028 Initiative Action Plans (IAPs)						
MISSION: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.						
	Goal We intend to...	Strategic Objective How we will...	Initiative Action Plans	Fiscal Year(s)	FY 2024 Funding	FY 2024-2028 Funding
Customer	1 - Safeguard the community	Deliver effective fire and rescue services	Design, build, staff, and equip Fire Station 93	2028	\$0	\$400,000
		Deliver effective police services				
	2 – Promote high quality neighborhoods, development, and appearance	Develop codes and ordinances to protect the character of Village neighborhoods AOF	Update the Pinehurst Development Ordinance	2024-2026	\$0	\$0
		Enforce codes and ordinances to protect the character of Village neighborhoods				
		Maintain and enhance the appearance of public spaces				
	3 – Promote a thriving business community	Support the business community AOF	Relocation of the Public Services Complex to allow for redevelopment of Village Place. (6.5)	2024-2028	\$80,000	\$5,980,000
	4 – Promote transportation mobility and connectivity	Provide a safe and effective multi-modal transportation system AOF	Develop and implement a Consolidated Multi-Modal Transportation Plan	2024-2028	\$100,000	\$100,000
			Implement a Metropolitan Planning Organization (MPO) in association with regional partners	2024-2028	\$15,000	\$75,000
		Maintain high quality streets				
	5 - Preserve the environment	Manage stormwater systems				
		Provide effective and efficient solid waste collection services				
		Conserve natural resources				
6 – Promote active living and cultural opportunities	Provide recreation programs and facilities	Retrofit Current Athletic Fields with Synthetic Turf	2024-2028	(\$27,700)	\$1,481,700	
	Provide cultural services and events					
	Provide Library and Archives Services	Expand and Renovate Given Memorial Library & Tufts Archives	2024-2028	\$0	\$5,831,800	
Internal	7 - Professionally manage a high performing organization	Communicate with and engage the community				
		Provide a high level of customer service				
		Continuously improve and innovate				
		Maintain Village assets				
Workforce	8 - Attract & retain an engaged workforce	Provide a supportive and rewarding work environment				
Financial	9 - Maintain a healthy financial condition	Meet or exceed established financial targets				

The Initiative Action Plans in the Five-Year Financial Forecast strive to leverage the Village’s core competencies and strategic advantages, while addressing strategic challenges and opportunities. In many cases, IAPs are based on research of best practices in benchmark communities.



The Village uses its Performance Improvement System as a key management tool to improve and innovate VOP services and processes. Each year, Opportunities for Improvement and Innovation (OFIs) for the five-year planning period are identified as either: 1) Evaluations; 2) Projects; or 3) IAPs.

BIRDIE Process	
B	Bring the opportunity forward
I	Investigate the opportunity
R	Review potential solutions
D	Determine the solution
I	Implement the solution
E	Evaluate the solution

To evaluate ways to improve a process or approach, the Village uses BIRDIEs, ACEs, and other quality tools including SIPOCs and Plus/Deltas. BIRDIE is a six-step Plan, Do, Check, Act (PDCA) improvement process used for in-depth analysis of key processes or approaches. In the five-year planning period, the Village has one BIRDIE evaluation scheduled: Document Imaging (begun in FY 2023).

FY 2024 – 2028 ACEs	
FY 2024	Evaluate ways to automate employee timekeeping
FY 2024	Recruitment/hiring process

ACE (Analyze, Change, and Evaluate) is a three-step PDCA improvement process used for more rapid improvement cycles. The corresponding table indicates the planned ACEs for FY 2024-2028.

The pages that follow include information on each BSC goal and their associated strategic objectives, short term and long term IAPs, and KPIs. While many strategic objectives have projects or IAPs aimed at achieving them, additional resources have also been allocated in the 2024 Strategic Operating Plan to higher priority strategic objectives, or Areas of Focus. For those objectives not addressed, current performance levels indicate the Village is already demonstrating excellent performance levels (e.g. above 90% satisfaction ratings). See the individual department goals and department BSCs included in the *General Fund* section of this document for additional information.

The pages that follow also include graphs of the Village’s observed results for those KPIs on the BSC. The Village’s historical results are indicated by the green bars in the graphs. The projected FY 2024 and FY 2028 performance levels are indicated by the blue bars in the graphs, were prepared using trend analysis and are reflective of resource allocations over the planning period. Council has set goals for most survey related KPIs at 95% or 90%, based on historical results. Where results have been consistently above 95%, goals are set at 95% and when results have consistently hovered closer to 90%, goals are set at 90% unless additional resources are being applied as a part of this plan. The Village’s surveys typically have a margin of error close to 5%. When applicable and available, the graphs also include comparable information indicating the Village’s performance relative to others, as described below:

- Comp – A comparable benchmark community
- ETC Avg – Average of cities using the Direction Finder Survey by ETC Institute in the United States
- SHRM Avg – Society of Human Resources Management survey average

Goal: Safeguard the Community



Safeguarding the community means to protect the lives and property of residents, businesses, and visitors. Departments and divisions primarily responsible include Police and Fire. Applicable volunteers include Citizens on Patrol. See the *General Fund* section of this document for additional financial and performance information on the departments.

There are two objectives under the goal to Safeguard the Community:

1. Deliver effective fire and rescue services
2. Deliver effective police services



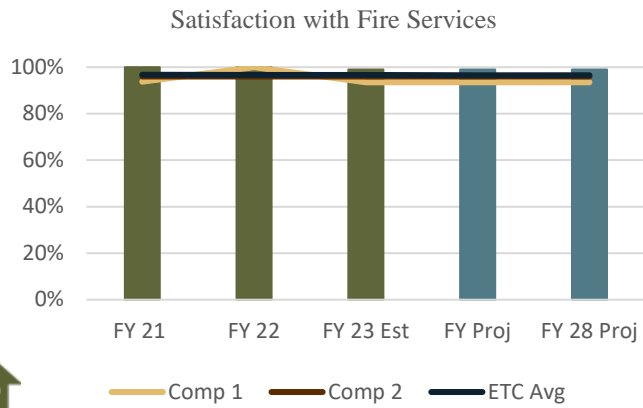
Pinehurst Fire Engine

The five-year Initiative Action Plan (IAP) and Key Performance Indicators (KPIs) for these objectives are identified below.

Strategic Objective: Deliver Effective Fire and Rescue Services			
Initiative Action Plans	Timeline	FY 2024-2028 Funding	Department/ Division
<i>Build, design, staff, and equip Fire Station 93</i> – The design of a new fire station is scheduled for FY 2028 with construction slated for outside the five-year plan. This IAP is designed to meet the growing demand on fire services identified through the Fire Department Response BIRDIE.	FY 2028	\$400,000	Fire

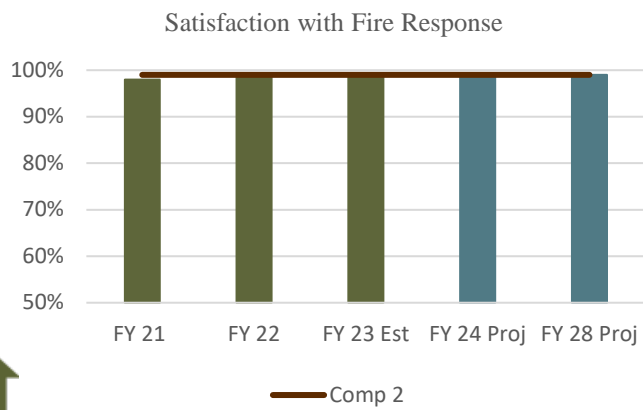
Key Performance Indicators (KPIs) - Deliver effective fire and rescue services

Maintain a 95% resident satisfaction rating with fire services



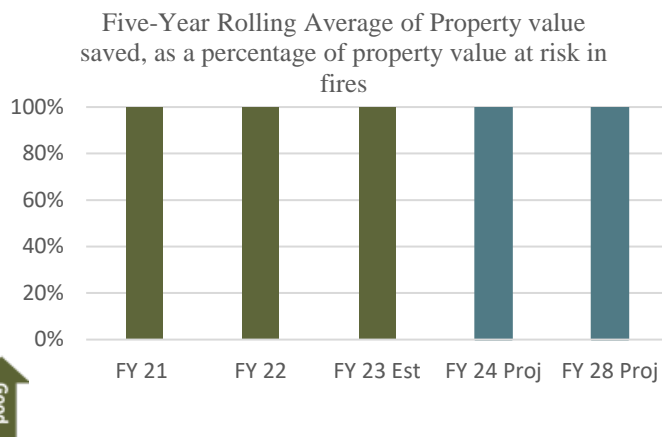
The Village has consistently exceeded comparable communities concerning resident satisfaction with fire services. Projected satisfaction levels of 99% indicate the Village will meet its goal to achieve a 95% satisfaction rating over the five-year period.

Maintain a 95% resident satisfaction rating with how quickly fire personnel respond to emergencies



Resident satisfaction with fire response is comparable to benchmark communities at approximately 99%. The Village projects that satisfaction ratings will continue to exceed the goal of 95% over the five-year period. In FY 2022, the Village improved its NC Response Rating System to a 2.

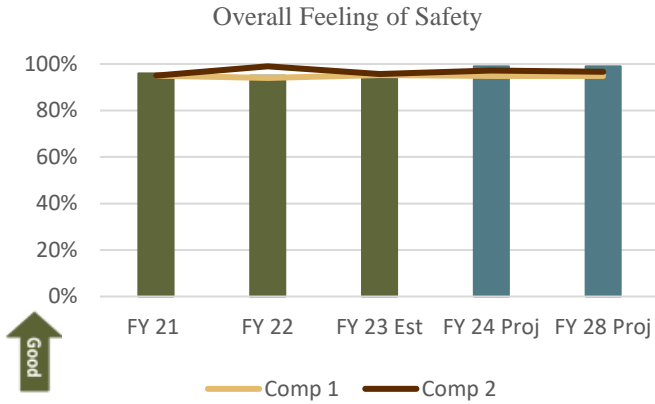
Maintain >85% property value saved of total property value at risk in fires



In FY23, the department added property value saved, as a percentage of property value at risk in fires. The Village believes this KPI addition provides an opportunity to measure the department's ability to react, respond, and mitigate fire risks. The Fire Department will continue efforts with fire safety education for the over 19,000 people served in the district.

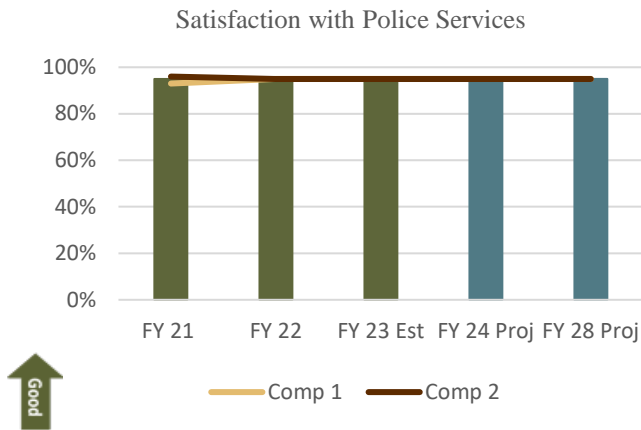
Key Performance Indicators (KPIs) - Deliver effective police services

Maintain a 95% resident rating of the overall feeling of safety in the Village as good or excellent



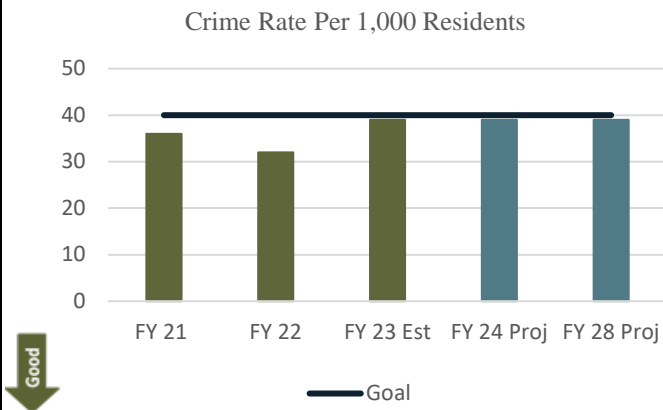
The Village has consistently exceeded comparable communities with resident satisfaction of the overall feeling of safety at 95%. Projected satisfaction levels indicate the Village will meet or exceed its goal to achieve a 95% satisfaction rating over the five-year period.

Maintain a 95% resident satisfaction with police services



The Village has consistently exceeded comparable communities with resident satisfaction with police services. Projected satisfaction levels indicate the Village will meet its goal to achieve a 95% satisfaction rating over the five-year period.

Maintain a <40 crime rate per 1,000 residents



The Village consistently monitors the number of crimes against persons, society, and property per 1,000 residents to understand how crime in Pinehurst ranks with comparable communities. This measure uses the National Incident-Based Reporting System (NIBRS) for tracking and reporting crimes.

Goal: Promote High-Quality Neighborhoods, Development, and Appearance



Pinehurst promotes high quality development and appearance by providing planning, inspections, infrastructure, code enforcement, and grounds maintenance services. Departments and divisions primarily responsible include Planning, Inspections, Streets & Grounds, and Buildings & Grounds. Applicable volunteer committees include the Beautification Committee, Planning & Zoning Board, Board of Adjustment, Historic Preservation Commission and Neighborhood Advisory Committee. See the *General Fund* section of this document for additional information on the departments.

There are three objectives under the goal to Promote High Quality Development and Appearance:

1. Develop codes and ordinances to protect the character of Village neighborhoods
2. Enforce codes and ordinances to protect the character of Village neighborhoods
3. Maintain and enhance the appearance of public spaces

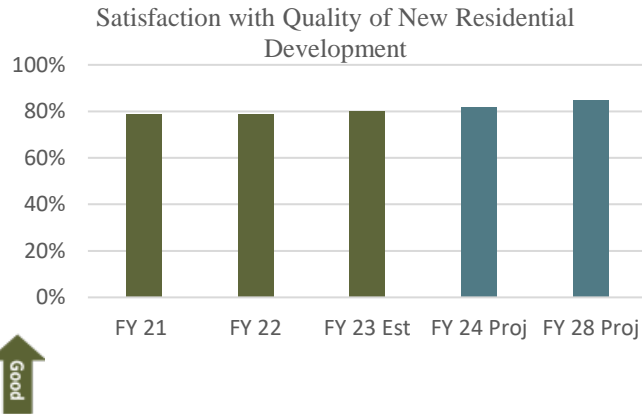
The objective to develop codes and ordinances to protect the character of Village neighborhoods is an Area of Focus (AOF) for FY 2024.

The five-year Initiative Action Plan (IAP) and Key Performance Indicators (KPIs) for these objectives are identified below.

Strategic Objective: Develop Codes and Ordinances to Protect the Character of Village Neighborhoods <small>AOF</small>			
Initiative Action Plans	Timeline	FY 2024-2028 Funding	Department/ Division
<i>Update the Pinehurst Development Ordinance</i> – Update the Pinehurst Development Ordinance to reflect priorities of the 2019 Comprehensive Plan and changes required by 160D legislation	FY 2024-2026	\$0	Planning

Key Performance Indicators (KPIs) – Develop codes and ordinances to protect the character of Village Neighborhoods AOF

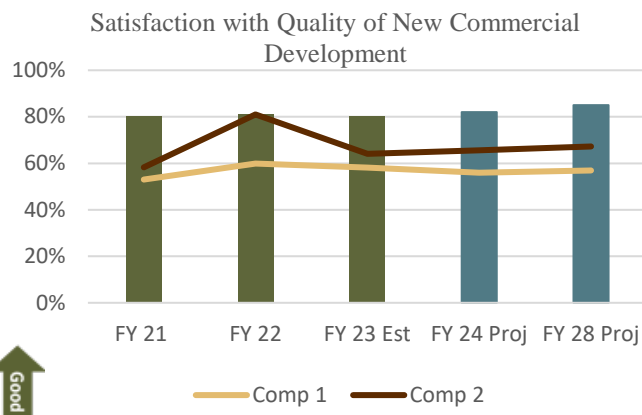
Achieve a 80% resident satisfaction rating with the quality of new residential development



The Village monitors resident satisfaction with the quality of new residential development. In FY 2021, the Village began implementing the 2019 Comprehensive Plan strategies and updating portions of the Pinehurst Development Ordinance that could positively impact this measure over the five-year planning period.

Prior to FY 2022, the community survey asked residents to rate their satisfaction with the quality of new development.

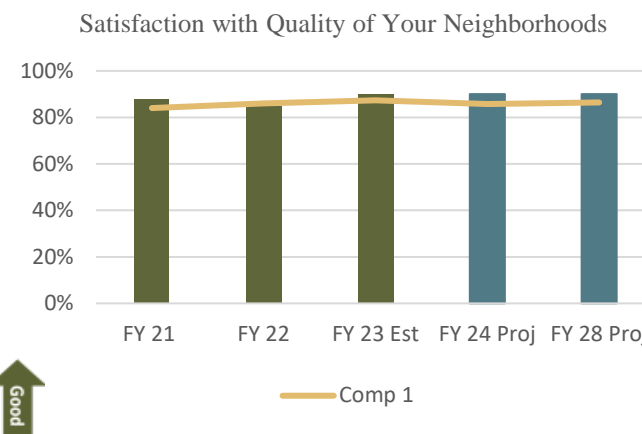
Achieve a 80% resident satisfaction rating with the quality of new commercial development



The Village monitors resident satisfaction with the quality of new commercial development. In FY 2021, the Village began implementing the 2019 Comprehensive Plan strategies and updating portions of the Pinehurst Development Ordinance that could positively impact this measure over the five-year planning period.

Prior to FY 2022, the community survey asked residents to rate their satisfaction with the quality of new development.

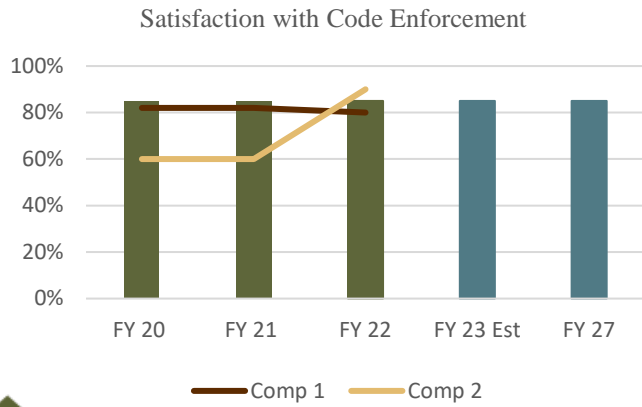
Achieve a 90% resident satisfaction rating with efforts to maintain the quality of your neighborhoods



The Village closely monitors resident satisfaction with efforts to maintain the quality of their neighborhoods. Historically, satisfaction levels with the efforts to maintain quality neighborhoods has fallen short of the 90% satisfaction goal. The continued implementation of the 2019 Comprehensive Plan strategies should help maintain or improve this measure.

Key Performance Indicators (KPIs) – Enforce codes and ordinances to protect the character of Village Neighborhoods

Achieve an 85% resident satisfaction rating with the enforcement of codes and ordinances

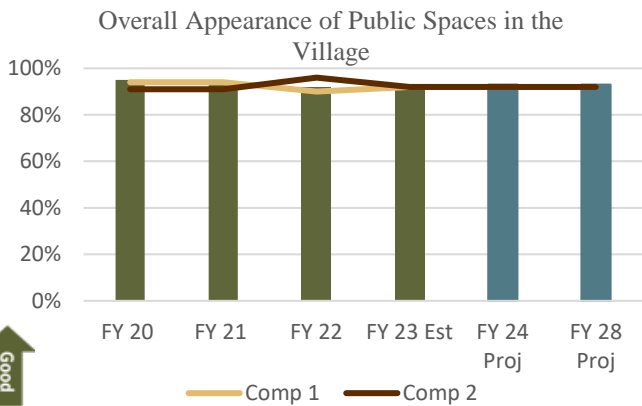


Resident satisfaction with the enforcement of codes and ordinances has been historically lower relative to other satisfaction ratings in the annual community survey. The Village has strived to improve these satisfaction ratings with additional public education on Village codes and ordinances published in the quarterly Village Newsletter that is mailed to all residents.



Key Performance Indicators (KPIs) – Maintain and enhance the appearance of public spaces

Maintain a 95% resident rating of the overall appearance of public spaces in the Village as good or excellent



Historically, Pinehurst residents have been extremely satisfied with the overall appearance of public spaces in the Village, with satisfaction levels exceeding comparable communities by a healthy margin. The Village’s Beautification Committee has worked in conjunction with staff over the past several years to beautify the right of ways at key intersections with additional landscaping to improve the overall appearance of the Village.



Goal: Promote a Thriving Business Community



Promoting a thriving business community means to support economic and business development. Departments and divisions primarily responsible include Administration, Planning, and Community Development. Applicable volunteers include the Welcome Center volunteers. See the *General Fund* section of this document for additional information on the departments.

There is one objective under Promote a Thriving Business Community, which is also an Area of Focus (AOF) for FY 2024:

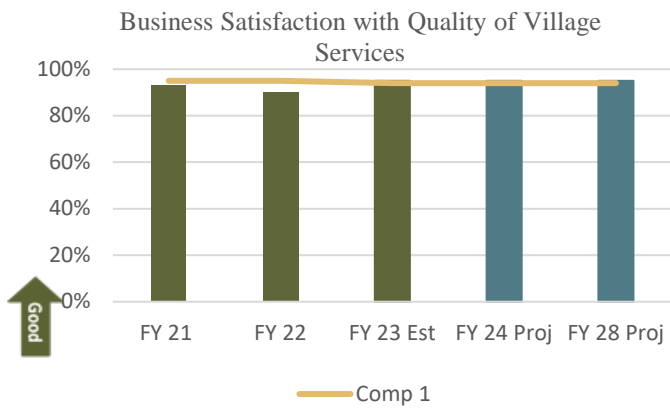
1. Support the business community

The five-year Initiative Action Plan (IAP) for this goal and the Key Performance Indicators (KPI) for this objective are identified below.

Strategic Objective: Support the business community <small>AOF</small>			
Initiative Action Plans	Timeline	FY 2024-2028 Funding	Department/ Division
Relocation of the Public Services Complex – The Village will continue its work towards moving the public services facility from its current location to allow for future development in Village Place. The move is currently scheduled for FY 2026.	FY 2024-2028	\$5,980,000	Community Development

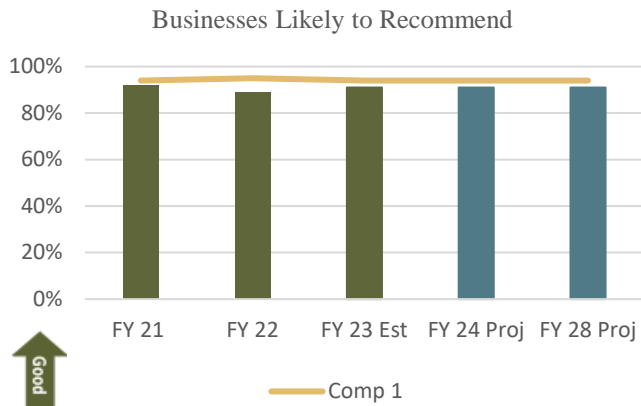
Key Performance Indicators (KPIs) – Support the business community AOF

Maintain at least 95% of businesses satisfied with the overall quality of Village services



Each year, the Village conducts an annual Business Survey to determine overall business satisfaction levels. Businesses have historically been very satisfied with the quality of services provided by Village employees.

Maintain at least 90% of businesses likely to recommend the Village as a business location



Businesses are one of the Village’s key customer groups and their likelihood to recommend is an indication of their engagement as a customer. Currently, the Village is achieving excellent results with approximately 89% of businesses likely to recommend the Village as a business location. The projection is that the Village will achieve its goal to maintain a 90% likely to recommend rating over the next five years.

Goal: Promote Transportation Mobility and Connectivity



Promoting transportation mobility and connectivity means to provide efficient and well-maintained roadways, sidewalks, greenway trails, and other transportation alternatives to ensure safe and adequate mobility and connectivity. Divisions primarily responsible include Planning, Streets & Grounds, Buildings & Grounds, and Parks and Recreation. Applicable volunteers include the Bicycle and Pedestrian Advisory Committee and the Greenway Wildlife Habitat Committee. See the *General Fund* section of this document for additional information on the departments.

There are two objectives under Promote Transportation Mobility and Connectivity:

1. Provide a safe and effective multi-modal transportation system
2. Maintain high quality streets

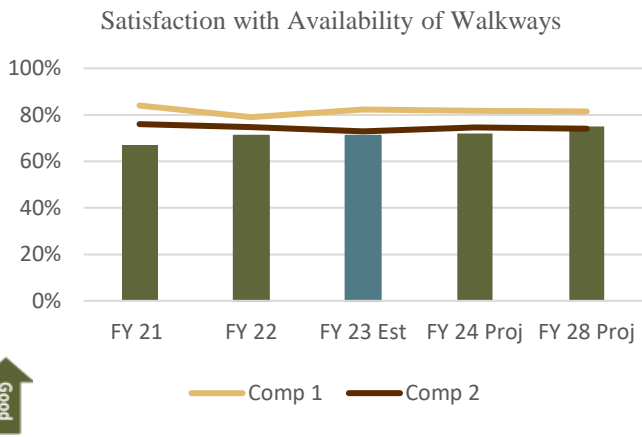
To provide a safe and effective multi-modal transportation system is an Area of Focus (AOF) for FY 2024.

The five-year Initiative Action Plans (IAPs) for this goal and the Key Performance Indicators (KPI) for this objective is identified below.

Strategic Objective: Provide a safe and effective multi-modal transportation system ^{AOF}			
Initiative Action Plans	Timeline	FY 2024-2028 Funding	Department/ Division
<i>Develop and implement a consolidated multi-modal transportation plan</i> – Consolidate the Village’s multi-modal transportation plans into one document that incorporates bicycle, pedestrian, and golf cart accessibility.	FY 2024-2028	\$100,000	Planning
<i>Implement a metropolitan planning organization (MPO)</i> – in association with regional partners.	FY 2024-2028	\$75,000	Administration

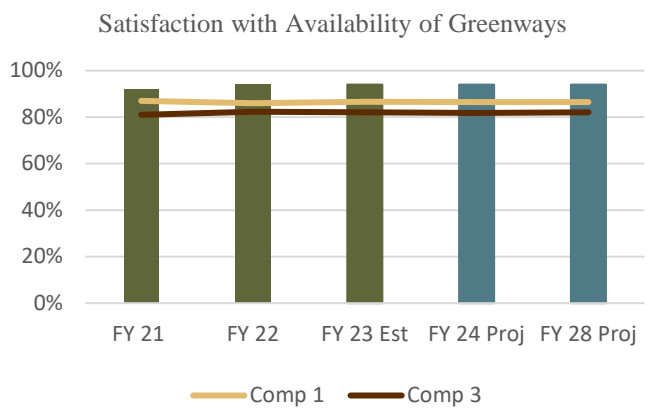
Key Performance Indicators (KPIs) – Provide safe and effective multi-modal transportation system AOF

Maintain resident satisfaction with the availability of walkways at 70%



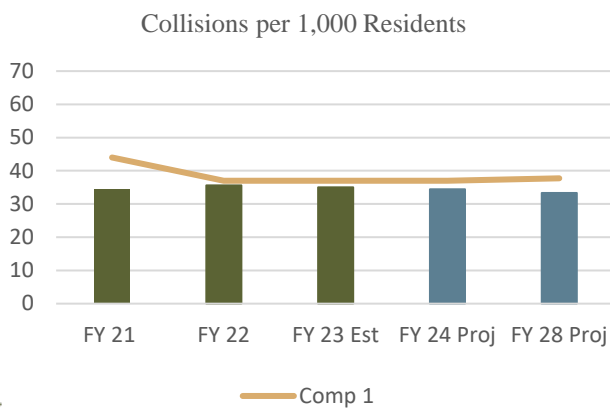
The Village plan to construct additional pedestrian facilities in FY 2024–2028 to help improve resident satisfaction with the availability of walkways.

Maintain resident satisfaction with the availability of greenway/walking trails at 90%



The Village began constructing greenways as a result of resident input in the Village’s first Comprehensive Long Range Plan in 2003. Over time, the Village has constructed over 7 miles of greenways and has achieved high resident satisfaction levels with the availability of greenways that exceed comparable communities. There is no major expansion of the existing greenway system planned in the five-year planning period. The Village projects it will achieve a satisfaction rating of 94%, exceeding the goal.

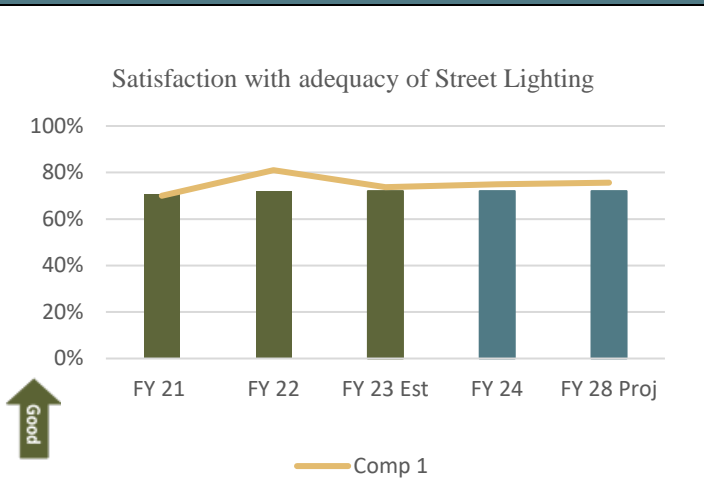
Maintain <40 collisions per 1,000 residents



Traffic in and around the Village continues to be an important concern for residents. Along with increased traffic comes the potential for an increase in collisions on roadways. Historically, the Village has experienced relatively low collision numbers per 1,000 residents compared to neighboring communities.

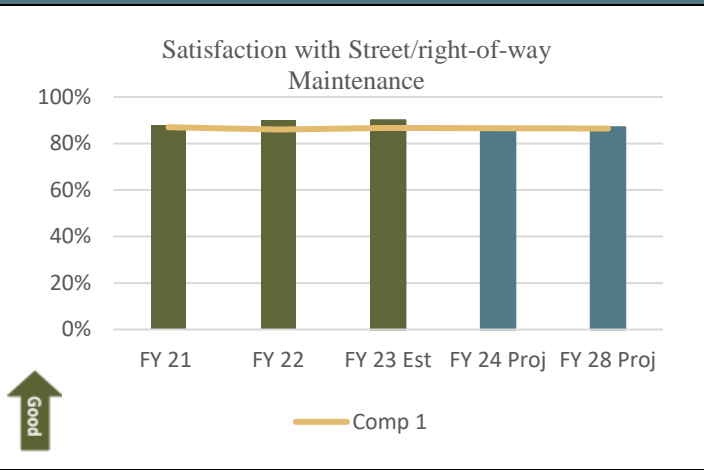
Key Performance Indicators (KPIs) – Maintain high quality streets

Maintain resident satisfaction with adequacy of street lighting at 70%



Resident satisfaction with street lighting is among the lowest ratings on the community survey. The Village continues to work with neighborhoods to address street lighting concerns. There are no current plans in the 5-year period to significantly increase street lighting.

Maintain resident satisfaction with street and right of way maintenance at 85%



Overall, the Village has achieved high levels of satisfaction with street and right of way maintenance that meet or exceed comparable benchmark communities. To achieve the goal of 85% satisfaction with street/right of way maintenance, the Village has dedicated significant annual funding for resurfacing and patching roads in each of the five years in the planning period.



Streetlight in Village Center

Goal: Preserve the Environment

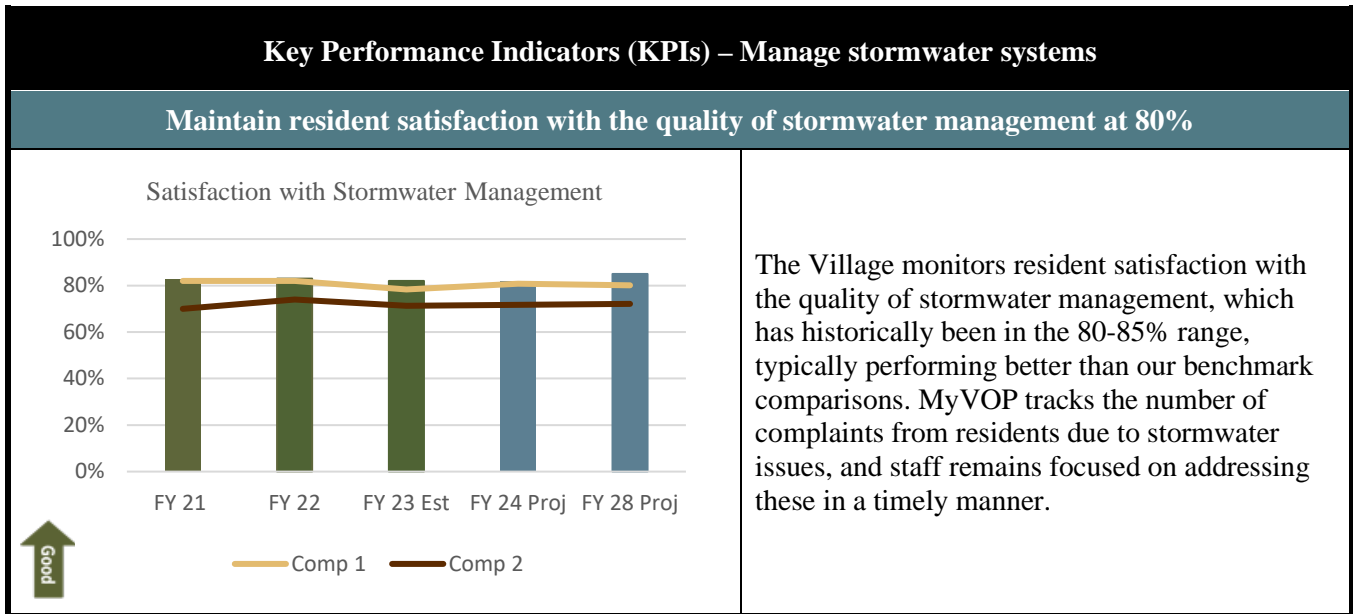


Preserving the environment means to provide efficient and effective collection of solid waste collection and conserve natural resources. The division primarily responsible is Solid Waste. Applicable volunteers include the Greenway Wildlife Habitat Committee. See the *General Fund* section of this document for additional information on the departments.

There are three objectives under Preserve the Environment:

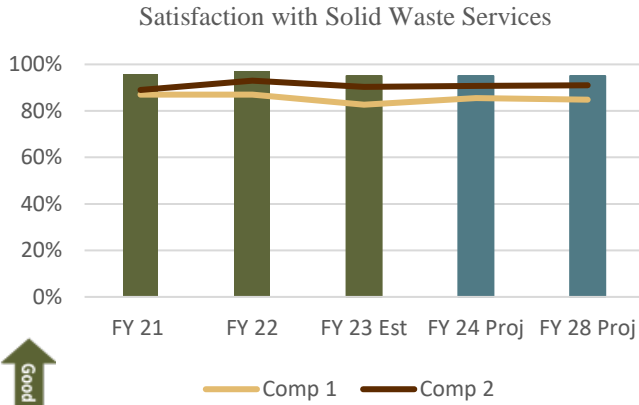
1. Manage stormwater systems
2. Provide effective and efficient solid waste collection services
3. Conserve natural resources

There are no five-year Initiative Action Plans (IAPs) for this objective. The Key Performance Indicators (KPIs) for this objective are identified below.



Key Performance Indicators (KPIs) – Provide effective and efficient solid waste collection services

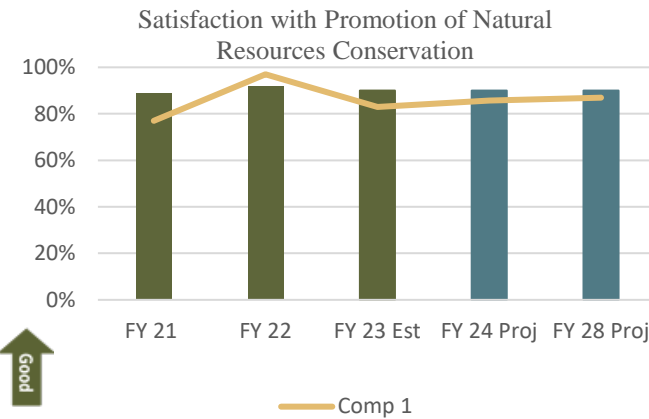
Maintain resident satisfaction with solid waste services at 95%



The Village has historically achieved excellent satisfaction ratings for solid waste services. In FY 2023, Public Services launched a glass recycling drop-off location to better meet the needs of our residents. The Village projects satisfaction ratings of 95% for the five-year planning period.

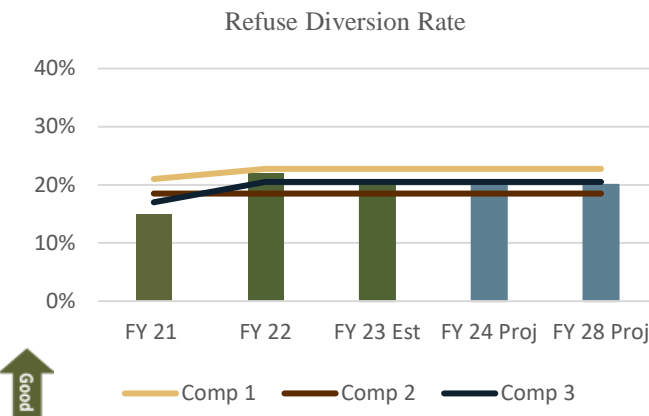
Key Performance Indicators (KPIs) – Conserve natural resources

Maintain resident satisfaction with promotion of natural resource conservation at 90%



Historically, Pinehurst residents have been very satisfied with the promotion of natural resource conservation, exceeding comparable communities. The Village projects the satisfaction ratings to remain at 90%.

Divert at least 20% of waste from the landfill



Historically, the Village’s refuse diversion rate (e.g. the % of refuse that is recycled and diverted from the landfill) has been approximately 35%. Due to the FY 2019 elimination of glass in the recycling stream and contamination issues, the Village has experienced significant decreases in the diversion rate. The Village plans to improve the contamination issues and increase the amount of clean recycling over the five-year planning period.

Goal: Promote Active Living and Cultural Opportunities



Promoting active living and cultural opportunities means to offer recreation programs, facilities, and community events to enhance the overall quality of life. The department primarily responsible is Parks & Recreation. Applicable volunteers include numerous recreation volunteer coaches and event volunteers. See the *General Fund* section of this document for additional information on the departments.

There are three objectives under promote active living and cultural opportunities:

1. Provide recreation programs and facilities
2. Provide cultural services and events
3. Provide library and archives services

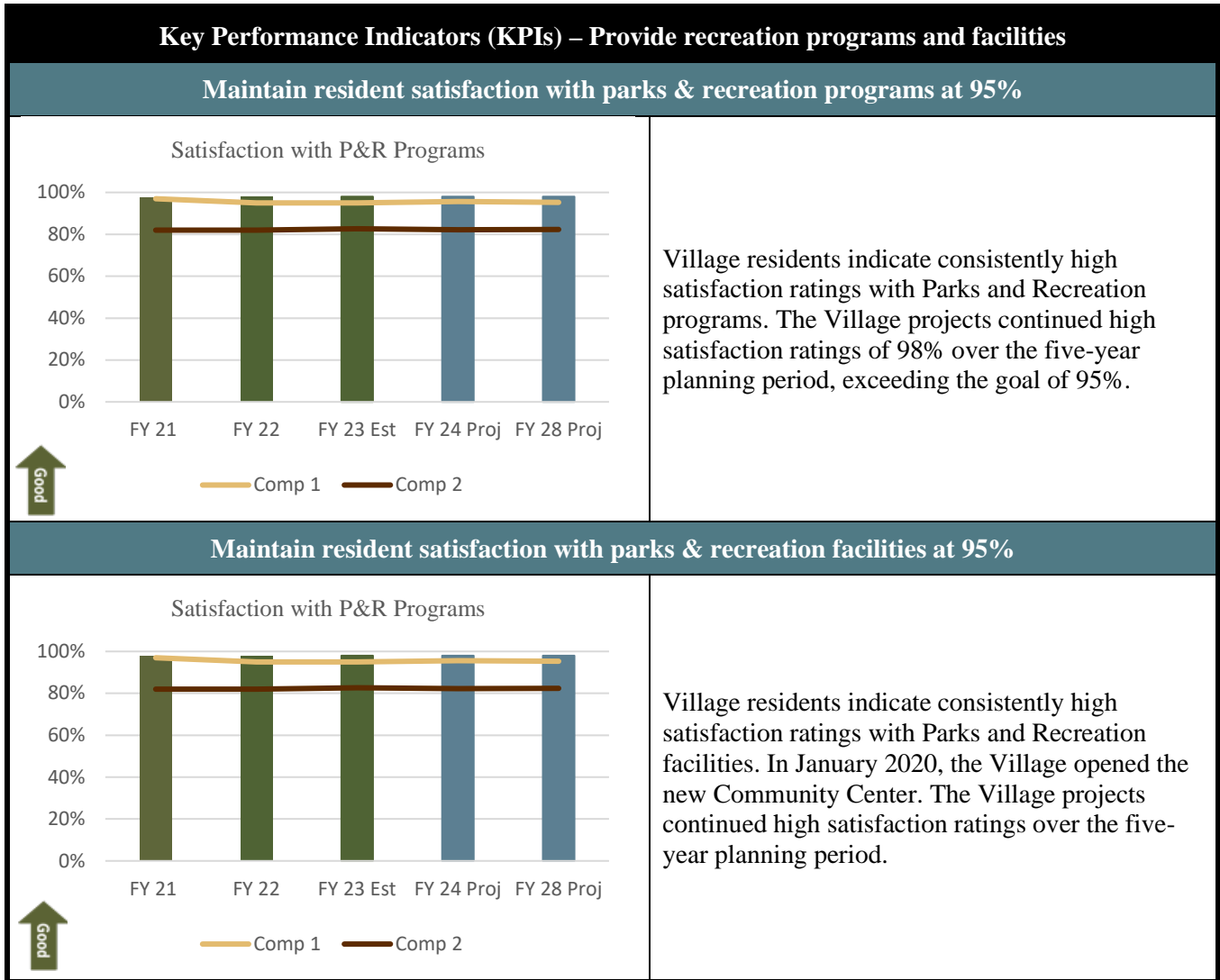
The five-year Initiative Action Plans (IAPs) for this goal and the Key Performance Indicators (KPIs) for this objective is identified below.

Strategic Objective: Provide library and archives services			
Initiative Action Plans	Timeline	FY 2024-2028 Funding	Department/ Division
Expand and Renovate Givens Library/Tufts Archives – Create and implement a plan to expand/enhance library services	FY 2024-2028	\$5,831,800	Library and Archives
Retrofit Current Athletic Fields with Synthetic Turf – Install synthetic turf to enhance field programming while reducing maintenance costs, over time	FY 2024-2028	\$1,481,700	Parks and Recreation



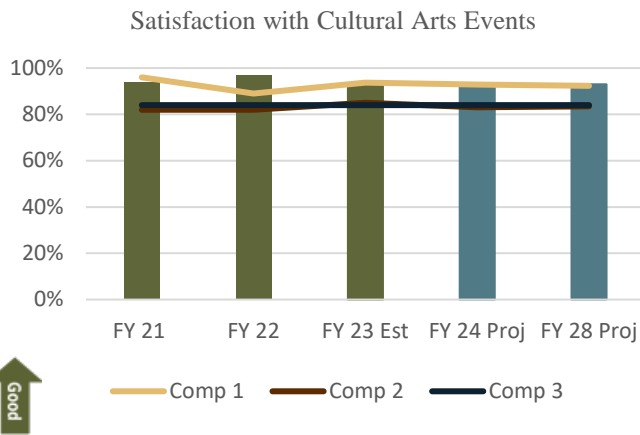
Givens Memorial Library

The Key Performance Indicators (KPIs) for this objective are identified below.



Key Performance Indicators (KPIs) – Provide cultural services and events

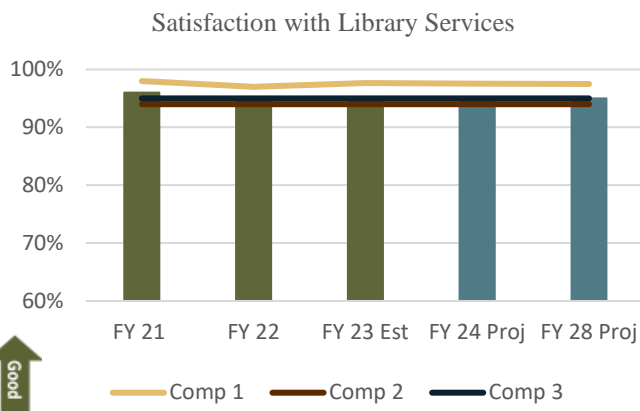
Maintain resident satisfaction with Village-sponsored cultural arts events at 90%



In FY 2015, the Village assumed responsibility for the Live After Five music series and other new events have been added to enhance resident satisfaction with Village sponsored cultural arts events. A dedicated focus on event programming with dedicated staff has allowed the Village to achieve high satisfaction ratings that exceed comparable communities. Staff projects satisfaction rates will exceed the goal of 90% over the five-year planning period.

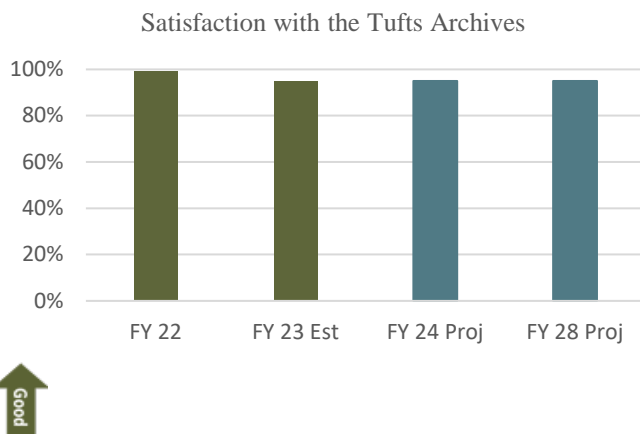
Key Performance Indicators (KPIs) – Provide library and archive services

Maintain resident satisfaction with Given Memorial Library services at 95%



In FY 2022, the Village welcomed the Given Memorial Library into the Village’s suite of services. The Village is dedicated to the continued high resident satisfaction rates over the next five years. Staff projects satisfaction rates will meet or exceed the goal of 95% over the five-year planning period.

Maintain resident satisfaction with the Tufts Archives at 95%



In FY 2022, the Village welcomed the Tufts Archives into the Village’s suite of services. The Village is dedicated to the continued high resident satisfaction rates over the next five years.

Goal: Professionally Manage a High Performing Organization

Professionally managing a high performing organization means to continually improve service delivery to both internal and external customers. ALL departments and divisions are responsible for this goal, with ultimate responsibility falling to Administration. Applicable volunteers include the Risk Management Committee. See the *General Fund* section of this document for additional information on the departments.

There are four objectives under Professionally Manage a High Performing Organization:

1. Communicate with and engage the community
2. Provide a high level of customer service
3. Continuously improve and innovate
4. Maintain Village assets

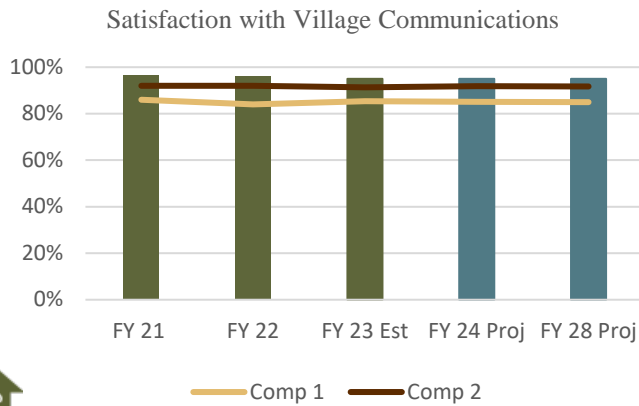
There are no five-year Initiative Action Plans (IAPs) for these objectives. The Key Performance Indicators (KPIs) for these objectives are identified below.



Village Hall

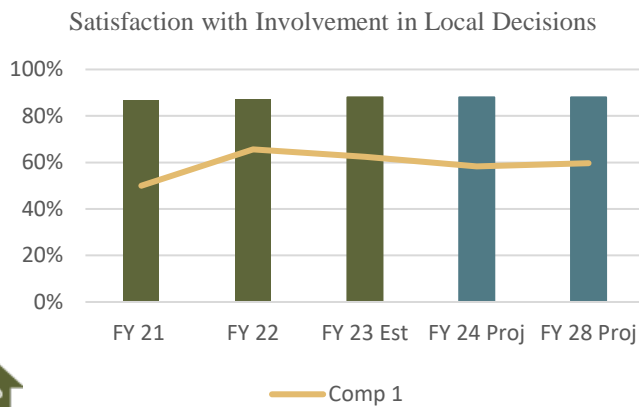
Key Performance Indicators (KPIs) – Communicate with and engage the community

Maintain resident satisfaction with Village communications at 95%



The Village has had several initiatives to improve communications with residents in recent years including enhancements to the quarterly newsletter, posting Council and Planning Board meeting videos online, MyVOP mobile app, monthly e-News, online engagement portals, and social media enhancements. As a result, the Village achieves high satisfaction ratings that exceed comparable communities. The Village projects continued high ratings of 95%, meeting the goal.

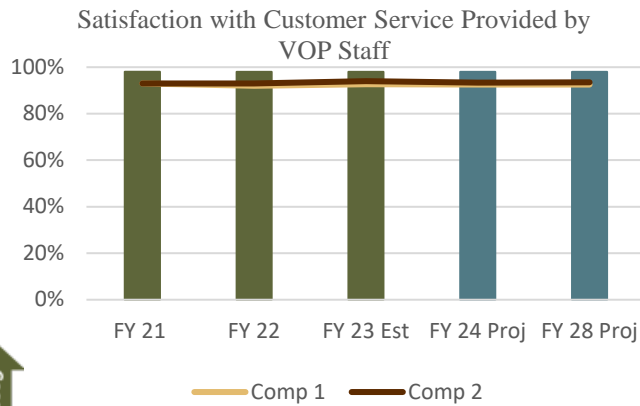
Maintain resident satisfaction with the level of public involvement in local decisions at 85%



To increase transparency, the Village began posting Planning Board, Board of Adjustment, and Historic Preservation Commission agendas online in advance of meetings and a Council eNews is sent prior to each Council meeting. The Village also published Learning Guides to help communicate opportunities for the public to get involved in local decisions. The Village is dedicated to finding ways to engage the public in local decision making.

Key Performance Indicators (KPIs) – Provide a high level of customer service

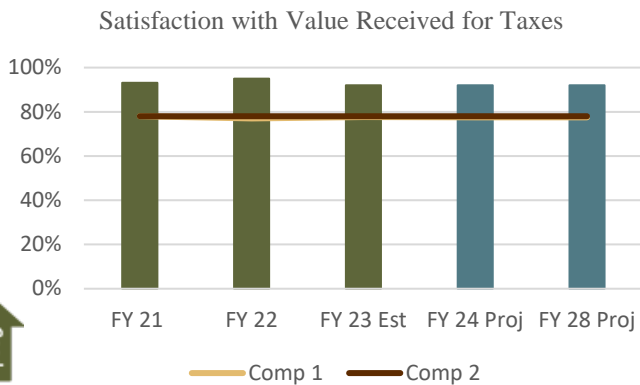
Maintain resident satisfaction with customer service provided by VOP staff at 95%



Historically, the Village has seen very high levels of satisfaction with customer service provided by VOP staff, consistently exceeding benchmarks. The workforce strives to provide outstanding customer service always. Every employee’s performance evaluation includes a rating on their performance relative to the core value of service.

Key Performance Indicators (KPIs) – Continuously improve and innovate

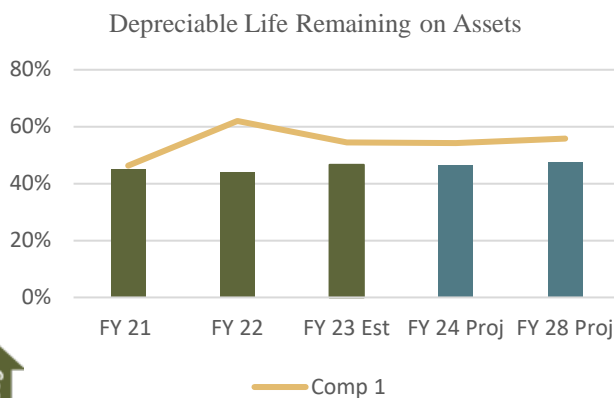
Maintain resident satisfaction with the value received for taxes paid at 90%



Resident satisfaction with the value received for taxes paid is an indicator of resident perceptions of Village operational effectiveness. With satisfaction levels between 90-95% and exceeding comparable communities, the Village demonstrates its ability to provide an excellent value for taxes. The Village projects satisfaction ratings will exceed the goal of 90% over the planning period.

Key Performance Indicators (KPIs) – Maintain Village assets

Maintain depreciable life remaining on assets between 40-60%



This is an indicator of the Village’s level of investment in new capital and not allowing it to become fully depreciated. The ratio naturally declines by 1-2% each year when there is not a significant investment in new infrastructure.

Goal: Attract & Retain an Engaged Workforce



Attracting and retaining an engaged workforce means to select, retain, and develop a qualified and diverse workforce of employees and volunteers. ALL departments and divisions are responsible for this goal, with ultimate responsibility falling to Human Resources. See the *General Fund* section of this document for additional information on the departments.

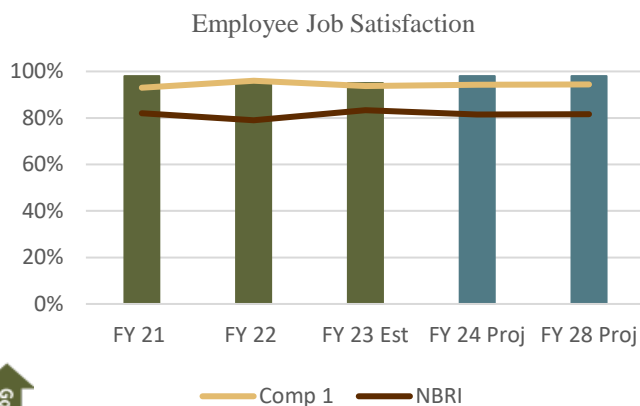
There is one objective under Attract & Retain an Engaged Workforce:

- Provide a supportive and rewarding work environment

There are no five-year Initiative Action Plans (IAPs) for this objective. The Key Performance Indicators (KPIs) for this objective are identified below.

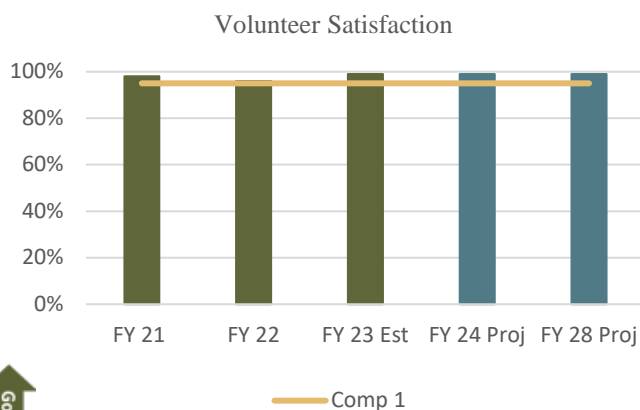
Key Performance Indicators (KPIs) – Provide a supportive & rewarding work environment

Maintain an agreement rating of 95% for employees who agree that overall they like their job



The Village surveys its employees each year in the Annual Workforce Survey to determine employee satisfaction levels in a variety of areas. Employee job satisfaction is a key indicator of employee engagement. Village employee satisfaction ratings are historically above the national SHRM averages and have been consistently above 95%. The Village projects job satisfaction levels will continue to remain around 98% over the five-year planning period, exceeding the goal.

Maintain an agreement rating of 95% for volunteers who agree that overall they like their role



Volunteers are a critical extension of the Village workforce. The Village surveys its volunteers each year in its Annual Volunteer Survey to determine volunteer satisfaction levels in a variety of areas. Volunteer satisfaction is a key indicator of volunteer engagement. The Village demonstrates excellent results and projects 99% volunteer satisfaction ratings over the planning period, which exceeds the goal of 95%.

Goal: Maintain a Healthy Financial Condition



Maintaining a healthy financial condition means to ensure financial sustainability and strength by achieving financial targets. ALL departments and divisions are responsible for this goal, with ultimate responsibility falling to Financial Services and Administration. See the *General Fund* section of this document for additional information on the departments.

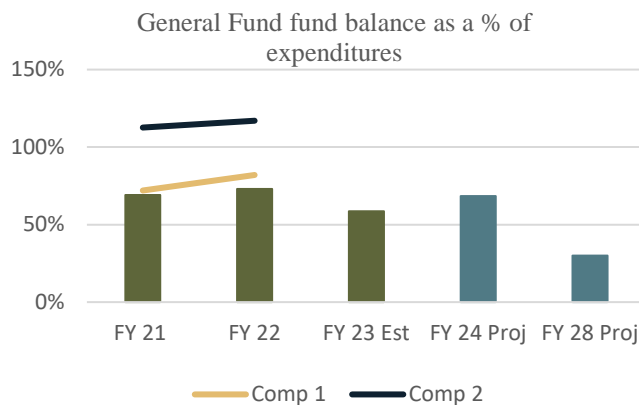
There is one objective under Maintain a Healthy Financial Condition:

- Meet or exceed Village financial targets

There are no five-year Initiative Action Plans (IAPs) for this objective. Key Performance Indicators (KPIs) for these objectives are identified below.

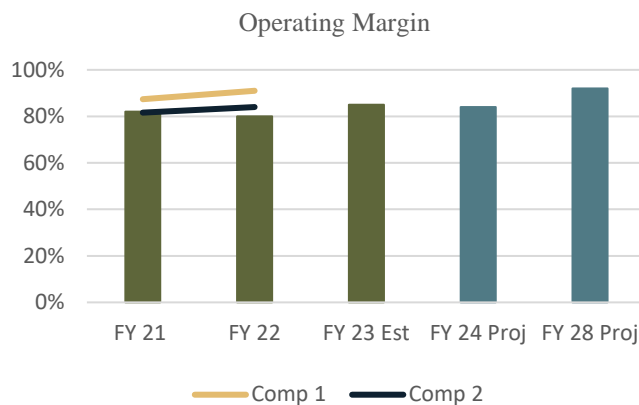
Key Performance Indicators (KPIs) – Meet or exceed Village established financial targets

Maintain a Total General Fund fund balance as a % of actual expenditures above 30%

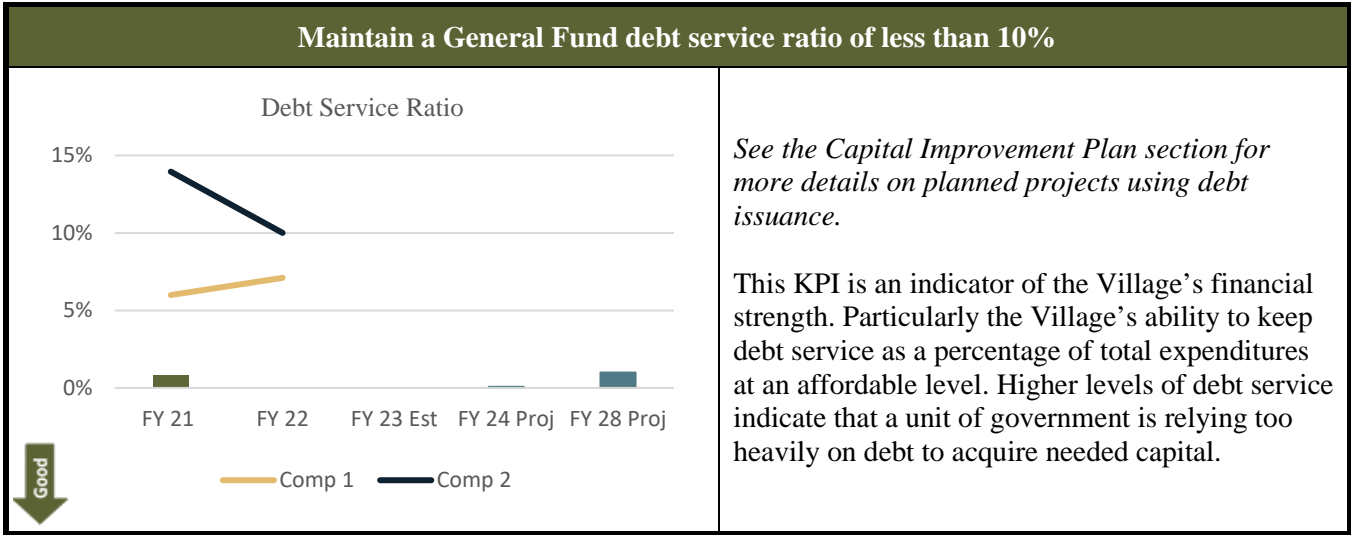


This KPI measures the amount of available financial resources in proportion to the size of the overall budget. The Village’s Fund Balance Policy requires the Village to maintain a total fund balance as a % of expenditures greater than 30%, which the Village has consistently exceeded. The five-year period includes several significant capital investments. The Village has historically maintained a smaller fund balance than benchmark communities.

Maintain a General Fund operating margin between 81-91%



This KPI is an indicator of the Village’s financial strength. It measures the amount of operating revenues spent on operating expenditures. Management’s target operating margin range is between 81-91%. The FY 2028 operating margin projection is currently at 91.8%.





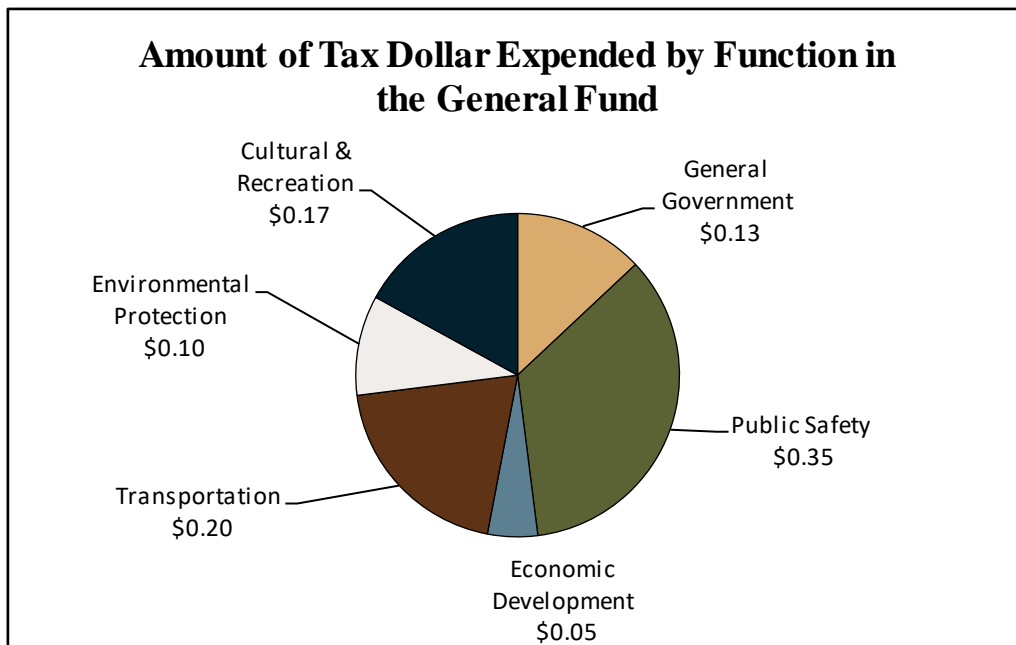


GENERAL FUND SUMMARY

Description

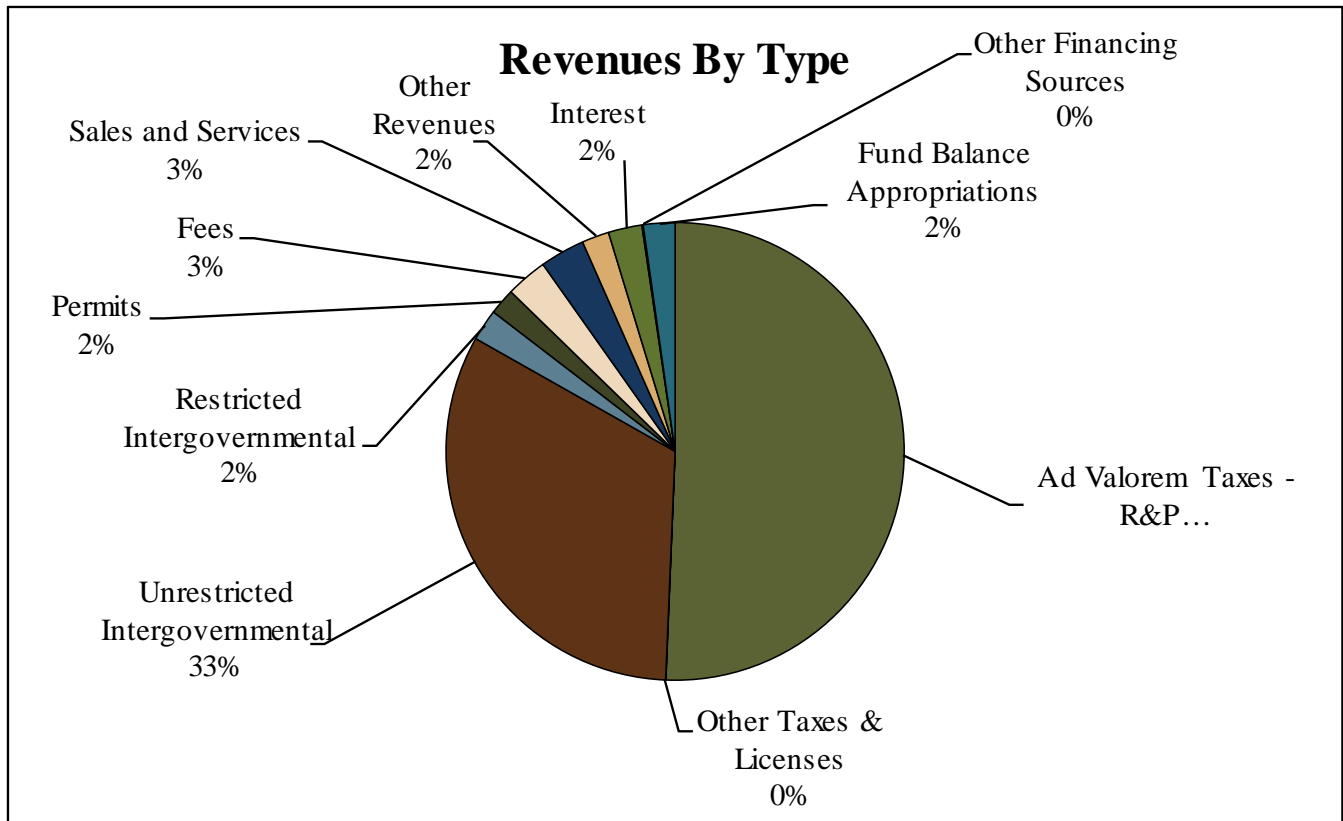
The General Fund is used to account for resources traditionally associated with government which are not required legally, or by sound financial management, to be accounted for in another fund. The following functional areas are included in the General Fund:

- General Government
- Public Safety
- Transportation
- Environmental Protection
- Economic and Physical Development
- Cultural and Recreation
- Debt Service



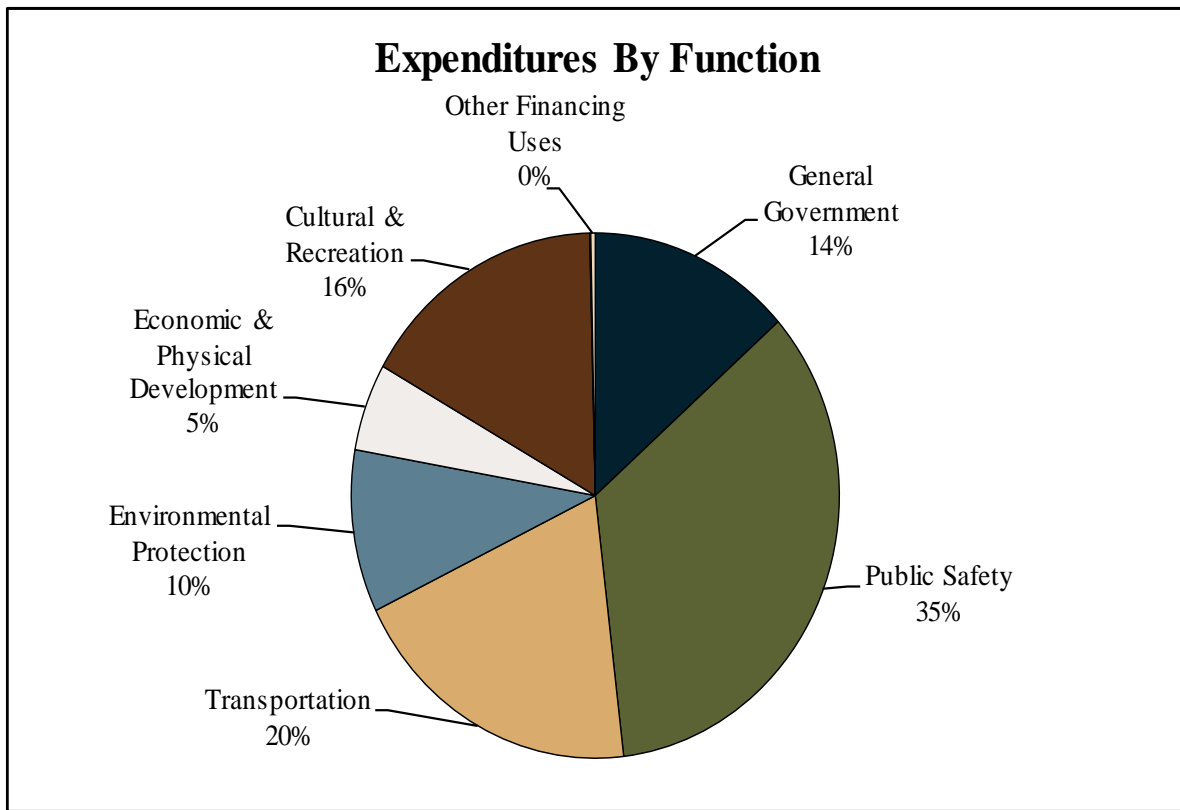
The major revenues as well as other financing sources budgeted by the Village of Pinehurst are summarized in the table and chart below. Ad valorem taxes account for approximately 51% of the Village of Pinehurst’s total revenues.

Revenues by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Ad Valorem Taxes	\$ 12,257,753	\$ 12,262,000	\$ 12,262,000	\$ 13,639,000	11.2%
Other Taxes & Licenses	4,755	3,800	3,800	4,500	18.4%
Unrestricted Intergovernmental Revenues	7,955,501	8,267,100	8,296,200	8,762,900	6.0%
Restricted Intergovernmental Revenues	604,104	714,919	714,919	599,500	-16.1%
Permits & Fees	944,902	924,500	947,500	1,290,300	39.6%
Sales & Services	762,888	792,900	796,900	853,100	7.6%
Other Revenues	504,001	546,277	549,077	516,800	-5.4%
Investment Income	24,570	433,000	434,000	640,100	47.8%
Operating Revenues	23,058,474	23,944,496	24,004,396	26,306,200	9.9%
Other Financing Sources	36,123	5,297,720	5,297,720	25,100	-99.5%
Fund Balance Appropriations	-	15,371	-	600,100	3804.1%
Total Revenues	\$ 23,094,597	\$ 29,257,587	\$ 29,302,116	\$ 26,931,400	-8.0%
Per Capita	\$ 1,321	\$ 1,627	\$ 1,621	\$ 1,470	



While the Village of Pinehurst’s budget contains multiple departments and divisions, each conducts Village government activities as part of a functional area. For example, the Fire Department and the Police Department are part of the functional area known as Public Safety, as both share the common theme of protecting citizens. Grouping activities by these themes (functions), allows the decision-making process to be managed at a broader, more comprehensive level. The following table and chart present the trends for all of the Village of Pinehurst’s different functions.

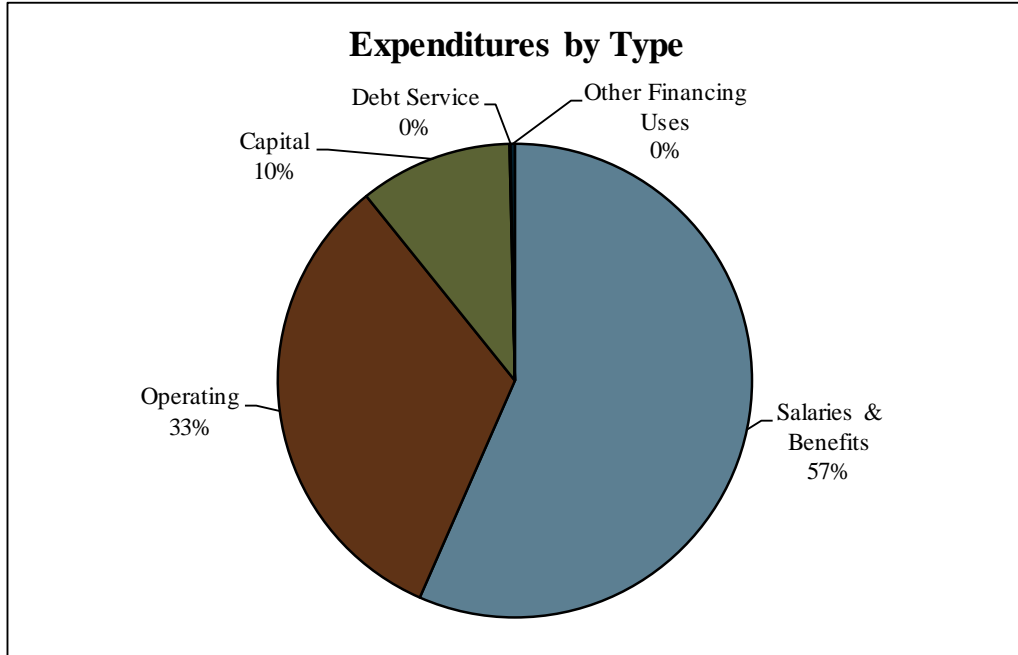
Expenditures by Function	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
General Government	\$ 3,005,708	\$ 3,383,295	\$ 3,267,495	\$ 3,630,765	7.3%
Public Safety	7,552,785	9,363,806	9,022,947	9,334,391	-0.3%
Transportation	3,794,494	5,693,777	5,605,527	5,292,858	-7.0%
Environmental Protection	1,901,761	2,604,922	2,583,722	2,695,710	3.5%
Economic & Physical Development	967,626	1,635,960	1,571,510	1,451,110	-11.3%
Cultural & Recreation	3,509,789	6,563,327	6,467,536	4,427,466	-32.5%
Debt Service	11,343	12,500	12,500	19,100	52.8%
Expenditures	20,743,506	29,257,587	28,531,237	26,851,400	-8.2%
Other Financing Uses	400,000	-	-	80,000	0.0%
Total Expenditures	\$ 21,143,506	\$ 29,257,587	\$ 28,531,237	\$ 26,931,400	-8.0%
Per Capita	\$ 1,209	\$ 1,627	\$ 1,579	\$ 1,470	



The Village also summarizes expenditures by type and department to facilitate further analysis of expenditure trends. The following tables provide a summary of expenditures by expenditure type and department for Fiscal Year 2024.

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 11,549,322	\$ 13,730,400	\$ 13,201,700	\$ 15,235,300	11.0%
Operating	6,747,972	9,091,654	8,894,004	8,792,500	-3.3%
Capital	2,434,869	6,423,033	6,423,033	2,804,500	-56.3%
Debt Service	11,343	12,500	12,500	19,100	52.8%
Other Financing Uses	400,000	-	-	80,000	0.0%
Total Expenditures	\$ 21,143,506	\$ 29,257,587	\$ 28,531,237	\$ 26,931,400	-8.0%

Expenditures by Department Totalled by Function	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change	FY 2024 % Total
General Government						
Governing Body	\$ 138,585	\$ 200,300	\$ 193,900	\$ 253,000	26.3%	0.9%
Administration	1,637,303	1,771,125	1,708,025	1,767,285	-0.2%	6.6%
Finance	791,971	855,320	839,370	903,920	5.7%	3.4%
HR	437,849	556,550	526,200	706,560	27.0%	2.6%
Total General Government	3,005,708	3,383,295	3,267,495	3,630,765	7.3%	13.5%
Public Safety						
Police	3,444,443	4,907,499	4,743,049	4,745,547	-3.3%	17.6%
Fire	3,770,256	4,025,577	3,850,668	4,151,224	3.1%	15.4%
Inspections	338,086	430,730	429,230	437,620	1.6%	1.6%
Total Public Safety	7,552,785	9,363,806	9,022,947	9,334,391	-0.3%	34.6%
Transportation						
Public Services Administration	560,893	1,090,822	1,075,272	694,968	-36.3%	2.6%
Streets & Grounds	2,103,109	3,129,980	3,057,280	3,097,790	-1.0%	11.5%
Powell Bill	1,130,492	1,472,975	1,472,975	1,500,100	1.8%	5.6%
Total Transportation	3,794,494	5,693,777	5,605,527	5,292,858	-7.0%	19.7%
Environmental Protection						
Solid Waste	1,901,761	2,604,922	2,583,722	2,695,710	3.5%	10.0%
Total Environmental Protection	1,901,761	2,604,922	2,583,722	2,695,710	3.5%	10.0%
Economic & Physical Dev.						
Planning	839,867	1,268,240	1,210,690	1,284,290	1.3%	4.8%
Community Development	127,759	367,720	360,820	166,820	-54.6%	0.6%
Total Economic & Physical Dev.	967,626	1,635,960	1,571,510	1,451,110	-11.3%	5.4%
Cultural & Recreation						
Recreation	2,202,269	3,656,124	3,601,278	2,439,553	-33.3%	9.1%
Library	352,402	1,615,267	1,597,017	635,435	-60.7%	2.3%
Harness Track	657,317	862,516	853,521	869,953	0.9%	3.2%
Fair Barn	297,801	429,420	415,720	482,525	12.4%	1.8%
Total Cultural & Recreation	3,509,789	6,563,327	6,467,536	4,427,466	-32.5%	16.4%
Debt Service	11,343	12,500	12,500	19,100	52.8%	0.1%
Total Expenditures	20,743,506	29,257,587	28,531,237	26,851,400	-8.2%	
Other Financing Uses (OFU)	400,000	-	-	80,000	0.0%	0.3%
Total Expenditures & OFU	\$ 21,143,506	\$ 29,257,587	\$ 28,531,237	\$ 26,931,400	-8.0%	100.0%



General Fund Summary

The General Fund reflects the overall economy with revenue growth from both locally generated revenues and statewide intergovernmental revenues. The housing market, over the past few years, is having a positive impact on property tax revenues. As our largest statewide intergovernmental revenue, local option sales tax has experienced growth in prior years. As high levels of inflation continue, local option sales tax revenues are expected to continue growth that is higher than normal.

The proposed General Fund budget for FY 2024 is \$26,931,400, a decrease of approximately 8% from the previous year’s amended budget when the Village, along with other local governments, received financial assistance in response to the pandemic from the American Rescue Plan Act.

The following table indicates the Village’s results from operations *before any other financing sources or uses* for the past five years:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues Over (Under) Expenditures</u>
6/30/2019 Actual	\$19,326,193	\$17,526,893	\$1,799,300
6/30/2020 Actual	20,947,524	17,590,227	3,357,297
6/30/2021 Actual	21,091,095	19,276,496	1,814,599
6/30/2022 Actual	23,058,474	20,743,506	2,314,968
6/30/2023 Estimated	24,004,396	28,531,237	(4,526,841)
6/30/2024 Budgeted	26,306,200	26,851,400	(545,200)

After accounting for an Other Financing Source of \$25,100, an Other Financing Use of \$80,000, and adding Appropriated Fund Balance of \$600,100 to revenues, the Village’s FY 2024 recommended budget is balanced in accordance with North Carolina General Statutes.

Revenue Highlights

The approved budget for FY 2024 represents an 8.0% decrease from the FY 2023 amended budget. Operating revenues are estimated to increase by approximately 9.9% over FY 2023. The recommended budget as presented results in a per capita expenditure of \$1,470 based on a projected population of 18,314.

The projected ad valorem tax revenues, which represent roughly 52% of total operating revenues, are expected to increase by 11.2% over the prior year. The property revaluation by the Moore County Tax Department resulted in an estimated 49.5% increase in property values. The Village Council elected to adopt a tax rate of \$0.23 per \$100 of property valuation, a half cent less than the “inflation-adjusted revenue neutral tax rate” of \$0.235 per \$100 of property valuation. The “inflation-adjusted revenue neutral tax rate” recognizes the cost of doing business has increased since the last revaluation period. The \$0.23 tax rate is expected to generate \$13,639,000 in ad valorem revenues. This year’s eight cent property tax rate reduction is offset in part by the increase in property values.

Unrestricted intergovernmental revenues, which are distributed by the North Carolina Department of Revenue, are expected to increase by 6.0% overall over FY 2023. Local option sales taxes, which provide approximately 22% of the Village’s operating revenues, are expected to increase by 6.5% over the previous year’s amended budget. The past two previous fiscal years have experienced significant increases in local option sales tax revenue. As inflation continues to be a part of North Carolina’s economy, strong projections remain for local option sales tax in FY 2024. Electricity sales taxes are expected to moderately grow, while video programming taxes remain stable and telecommunication taxes are likely to decline as consumers are selecting alternative telephone and television services.

Restricted intergovernmental revenues, which consist primarily of the Powell Bill funding from the state and other restricted grant funding, are projected to decrease by 16.1% compared to the prior year’s amended budget. This is due to approximately \$121,000 in other grants received in FY 2023 while there are no grants expected in FY 2024.

Permits and fees are expected to increase by 39.6% in FY 2024 over the prior year budgeted levels. This increase is primarily due to a one-time licensing fee from the United States Golf Association for the Men’s U.S. Open Championship to be held in Pinehurst in June 2024.

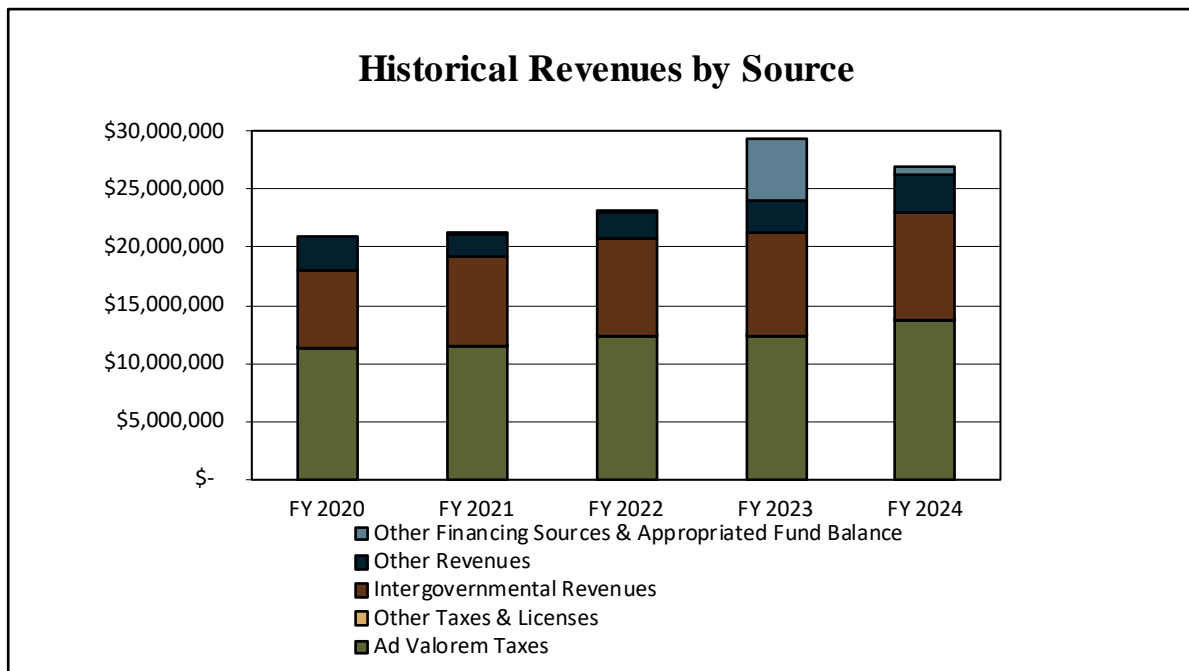


Sales and services revenues, which are primarily derived from various Parks and Recreation fees, logo merchandise sales, and Library and Archives revenue are expected to increase overall by 7.6% over prior year levels. The largest increases include Harness Track stall rentals, logo merchandise sales and Library and Archives revenue which are 12.1%, 28.6% and 31.6%, respectively higher than the prior year budget. Harness Track stall rental increases are primarily due to improvements to on-site housing facilities for trainers at the Harness Track making the site more attractive to those in the equestrian industry that travel. The Harness Track will hold fewer events in FY 2024, causing a decrease in show and event revenue, since its grounds will be used for the U.S. Open. Increases are expected for logo merchandise sales and Library and Archives revenue from photo sales as a greater number of visitors come to Pinehurst during the U.S. Open in June 2024.

Other revenues are expected to decrease by 5.4% compared to the prior year. One other revenue source, a forfeited bond, is not expected again in FY 2024 accounting for the decrease compared to the prior year. ABC revenues provide approximately 61% of the Village’s other revenues. ABC revenues are expected to increase by 4.9% over the previous year’s budget.

Investment income is estimated to increase by \$207,100 over the prior’s year budget. Projections from the Federal Reserve expect interest rates to be between 5.1% and 4.1% by the end of 2023 and 2024, respectively. This is a significant increase from the average rate of return in FY 2022 of 0.15%. On average, approximately 97% of the Village’s cash and investments are invested in the North Carolina Capital Management Trust which is comprised primarily of U.S. government securities.

Other financing sources include \$25,100 for lease liabilities issues. Appropriated Fund Balance of \$600,100 is being added to revenues to balance the budget.

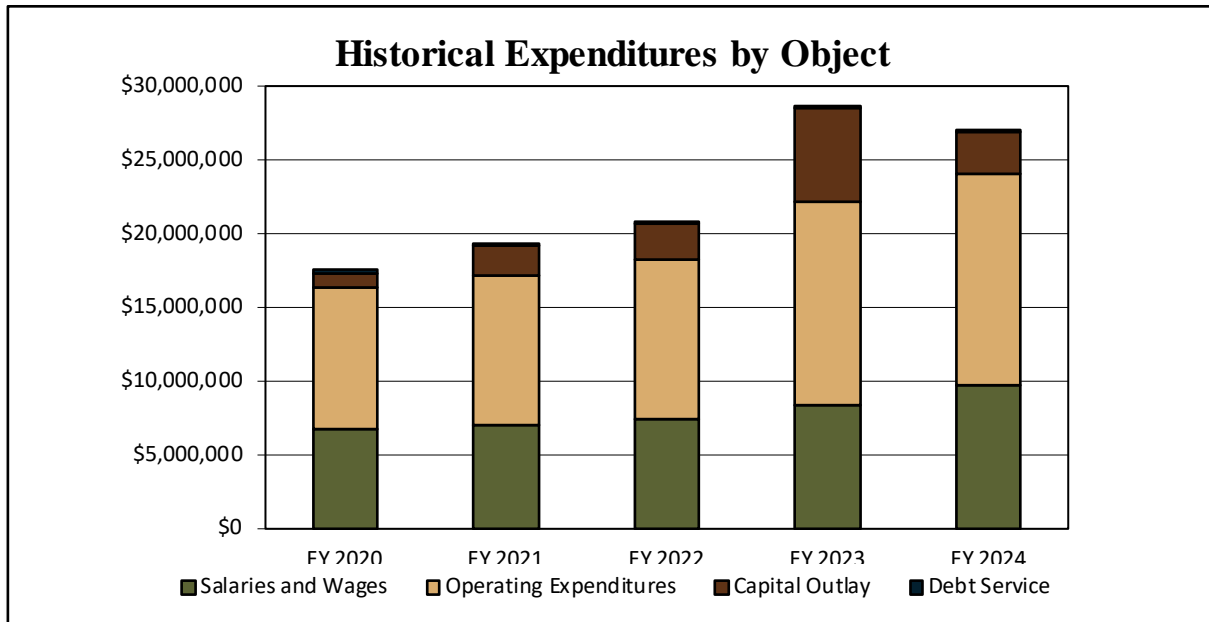


Expenditure Highlights

Salaries and benefits are expected to increase by 11.0% in FY 2024. This is affected by a cost-of-living adjustment of 8%, an average 2% merit increase, and a projected 10% increase in group insurance. In FY 2024, there are 4.3 new employee full-time equivalents (FTE) added to the budget for the following positions: a new Athletics Coordinator for the Recreation Department (1 FTE), a new Assistant Fire Marshal and Firefighter position in the Fire Department (2 FTE), 2 apprentices in the Police Department working fifteen hours per week (.7 FTE), and a recreation assistant in the Recreation Department working twenty-five hours per week (.6 FTE).

Village department heads are focused on achieving the strategic objectives and performance targets established by the Council that are reflected on the Balanced Scorecard (BSC). Current year operating expenditures include funding for strategic initiatives supporting the Council’s goals and objectives as listed in the *Strategic Priorities* section of this document.

Capital spending in the General Fund decreased by 56.3% compared to the previous year. Capital spending for FY 2024 includes \$460,000 to construct pedestrian facilities, \$430,000 for storm drainage projects, \$200,000 for streetscape projects and \$160,000 for dispatch radios. Other significant items in the current plan include a solid waste vehicle replacement, four police vehicle replacements, a replacement Streets and Grounds dump truck, various Harness Track improvements, and a Village-wide imaging system.



Fund Balance

Fund balance refers to the difference between current financial assets and liabilities reported in a fund. It is also referred to as surplus funds. The Village Council has a financial policy recommending that the amount of appropriated fund balance in the General Fund should result in an anticipated ending total fund balance at a minimum of 30% of budgeted expenditures to avoid cash flow interruptions, generate investment income, eliminate the need for short-term borrowing, and have a reserve available for emergencies or opportunities.

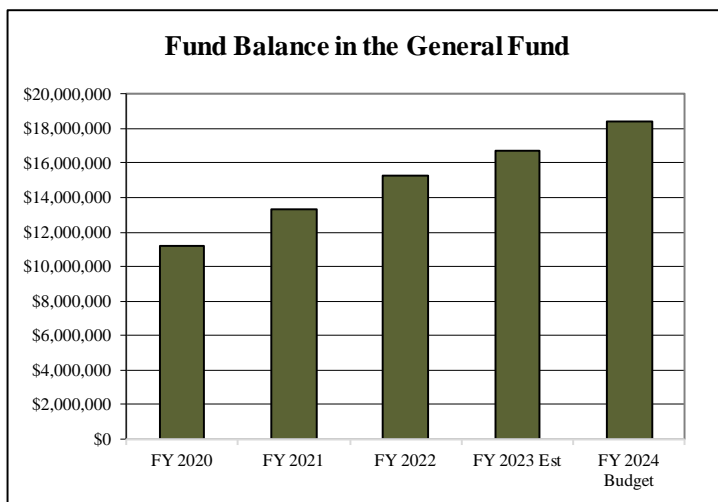
Council’s policy includes a provision to commit fund balance for future capital needs. Each year, Council may commit fund balance in excess of 40% of actual General Fund expenditures as reported in the Village’s Annual Comprehensive Financial Report by approving a separate resolution.

The following schedules outline the percentage increase or decrease for the Village’s General Fund fund balance for the FY 2024 budget and three prior fiscal years.

Fund Balance	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimated*	FY 2024 Budgeted*
Beginning	\$ 11,229,270	\$ 13,288,868	\$ 15,239,959	\$ 16,706,724
Ending	13,288,868	15,239,959	16,706,724	18,412,049
Increase/(Decrease)	2,059,598	1,951,091	1,466,765	1,705,325
% Change	18.3%	14.7%	9.6%	10.2%
% of Expenditures	68.9%	73.5%	57.1%	68.4%

* Assumes an estimated budget-to-actual variance for revenues and expenditures

N.C. General Statutes require that municipal budgets be balanced. They also require that expenditure budgets not be overspent, even by a small amount. A common way that municipalities deal with these requirements is to over-budget expenditures slightly and appropriate some of their savings (fund balance) as an off-setting revenue source. Revenues are conservatively estimated as well. For FY 2024, the Village has appropriated \$600,100 of the General Fund fund balance as a revenue source.



Fund balance is estimated to be \$16,706,724 at June 30, 2023. This is 57.1% of the budgeted FY 2023 expenditures of \$29,257,587. The Village’s fund balance policy is to maintain a minimum of 30% of expenditures in fund balance. Fund balance at June 30, 2024 is estimated to be \$18,412,049 or 68.4% of budgeted expenditures, which is above Council’s adopted policy minimum of 30% of budgeted expenditures in fund balance. This positions the Village well to address significant future projects that are expected to arise in the five-year planning period.

Description of Revenue Source

Ad valorem taxes are paid on real and personal property located within the Village's corporate limits. Taxes for real and personal property, excluding motor vehicles, are levied based upon the preceding January 1 valuations of the property and the tax rate established by the Village Council in the Budget Ordinance. These taxes are levied each year and are due on January 6 of the year following the levy. Real and personal property is revalued by the Moore County Tax Department at least every eight years, with the last revaluation completed in the 2023 tax year, or FY 2024.

The Village contracts with the Moore County Tax Department to levy and collect ad valorem taxes on behalf of the Village. Amounts collected by Moore County on behalf of the Village are remitted to the Village monthly.

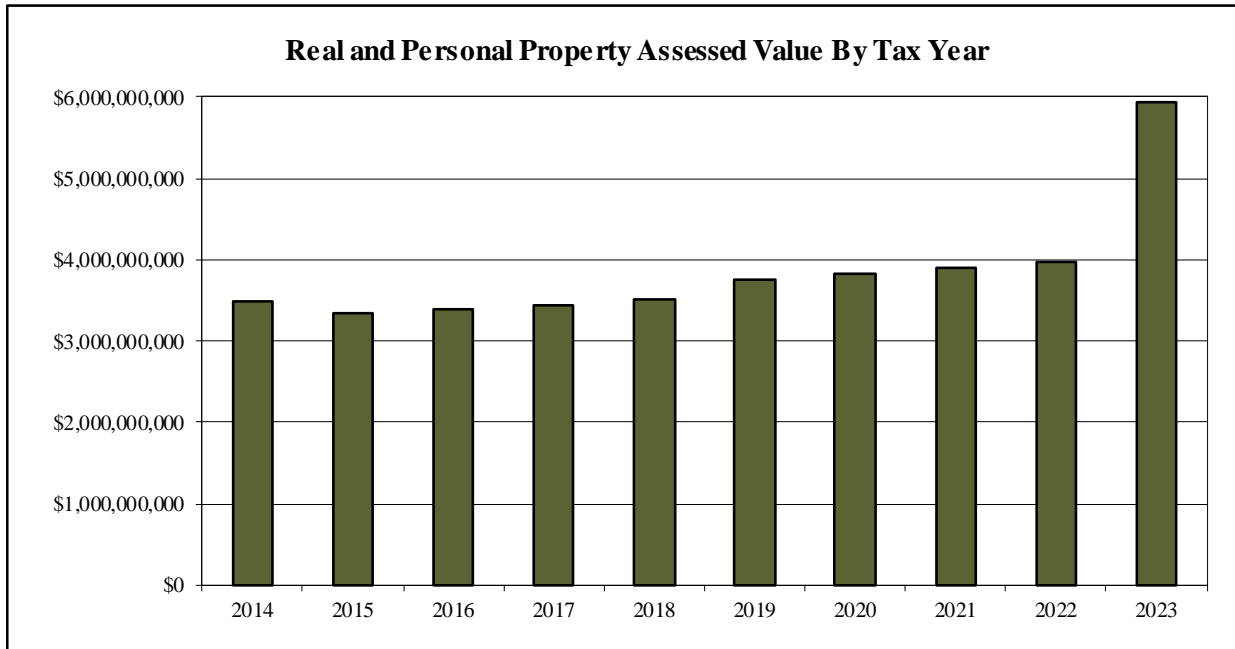
Historically, ad valorem taxes have comprised approximately 52% of all Village General Fund operating revenues. This includes current year's collections, prior year's collections, penalties and interest, and refunds.

Ad Valorem Taxes	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Real & Personal - Current Year	\$ 11,393,019	\$ 11,347,000	\$ 11,347,000	\$ 12,979,000	14.4%
Real & Personal - Prior Years	6,507	5,000	5,000	5,000	0.0%
Motor Vehicles - Current Year	851,934	910,000	910,000	660,000	-27.5%
Discounts/Reliefs/Refunds	(3,709)	(5,000)	(5,000)	(10,000)	100.0%
Tax Interest	10,002	5,000	5,000	5,000	0.0%
Total Ad Valorem Tax Revenue	\$ 12,257,753	\$ 12,262,000	\$ 12,262,000	\$ 13,639,000	11.2%

Revenue Assumptions

- Property revaluation by the Moore County Tax Department resulted in an estimated 49.5% increase in property values. Village Council elected to adopt a tax rate of \$0.23 per \$100 of property valuation. This rate is slightly less than the "inflation-adjusted revenue neutral tax rate", not to be confused with the revenue neutral tax rate defined by the North Carolina Local Government Budget and Fiscal Control Act. The "inflation-adjusted revenue neutral tax rate" concept was developed by Village staff and recognizes that the cost of doing business has increased since the last revaluation period. It is calculated by modifying the traditional revenue neutral tax rate of \$0.21 by inflation that has occurred since the last revaluation date of January 1, 2019. The ad valorem tax rate is expected to generate \$13,639,000 in ad valorem tax revenue.
- The total estimated valuation of real and personal property is \$5,937,000,000 of which \$5,650,000,000 is real property valuation and \$287,000,000 is motor vehicle valuation. The Moore County Tax Administrator provides the Village with estimates of valuation annually.
- The combined growth factor used to estimate the real property valuation for FY 2024 is 0.71%. The number of new homes constructed in the Village in FY 2022 was 97, and the Village experienced a slight decrease in growth in FY 2023 with an estimated 75 new homes constructed. Based on remaining lot availability, the Village is expecting to permit 100 homes in FY 2024.
- Although it varies from year to year, we are expecting the motor vehicle valuation to increase by 1.0% next fiscal year.

- The collection rates used to estimate actual ad valorem tax revenue are 99.9% for real and personal property and 100.0% for motor vehicles. These have historically been some of the highest tax collection rates in the State.



Description of Revenue Source

Other taxes and licenses currently consist only of golf cart sticker fees.

Golf cart stickers are issued to license the use of personal golf carts on Village streets. In 2016, the Village converted the golf cart registration process from an annual registration to a one-time registration. This system continues to work well to accomplish the goals of the program while reducing the time and cost to issue the stickers.

Other Taxes & Licenses	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Golf Cart Stickers	\$ 4,755	\$ 3,800	\$ 3,800	\$ 4,500	18.4%
Total Other Taxes & Licenses	\$ 4,755	\$ 3,800	\$ 3,800	\$ 4,500	18.4%

Revenue Assumptions

- In 2016, the Village adopted a one-time registration fee of \$20 for golf carts.
- The Village estimates 225 golf carts will be registered in FY 2024 based on historical actuals.



Description of Revenue Source

Unrestricted intergovernmental revenue consists of local option sales taxes, telecommunications tax, electricity sales tax, video programming sales tax, hold harmless sales tax, and wine and beer tax. These six state-collected local revenues make up approximately 33% of General Fund operating revenues.

The local option sales tax is levied by the Moore County Board of Commissioners and is collected by the State of North Carolina on behalf of the County. The local option sales tax rate of 2.25% consists of four separate taxes that are authorized by the North Carolina General Statutes: Article 39 at 1.0%, Article 40 at 0.5%, Article 42 at 0.5%, and Article 46 at 0.25%. These local government sales and use taxes are applied to sales made in the state, including most online transactions, and are allocated to each county based on various legislated formulas. The total amount allocated to Moore County is then distributed among the county and the local government jurisdictions within the county on a per capita basis, except for Article 46, which remains with Moore County to support education. The State of North Carolina distributes the Village's share of these taxes to the Village monthly.

The telecommunications tax represents a 7.0% sales tax on telecommunications sales within the Village's corporate limits. The State of North Carolina distributes a percentage of this tax collected to the Village based upon the Village's past share of the old telephone franchise tax that was repealed.

In North Carolina, electricity sales are taxed at the combined general statewide sales tax rate of 7.0%. The State allocates 44% of the proceeds to cities within the state. Each city receives a franchise tax share and an ad valorem share of these proceeds. The franchise tax share is based on the electricity franchise revenues received in FY 2014. The ad valorem share is based on the city's ad valorem taxes levied as a percentage of all cities' ad valorem taxes levied. The State of North Carolina distributes this tax to municipalities quarterly.

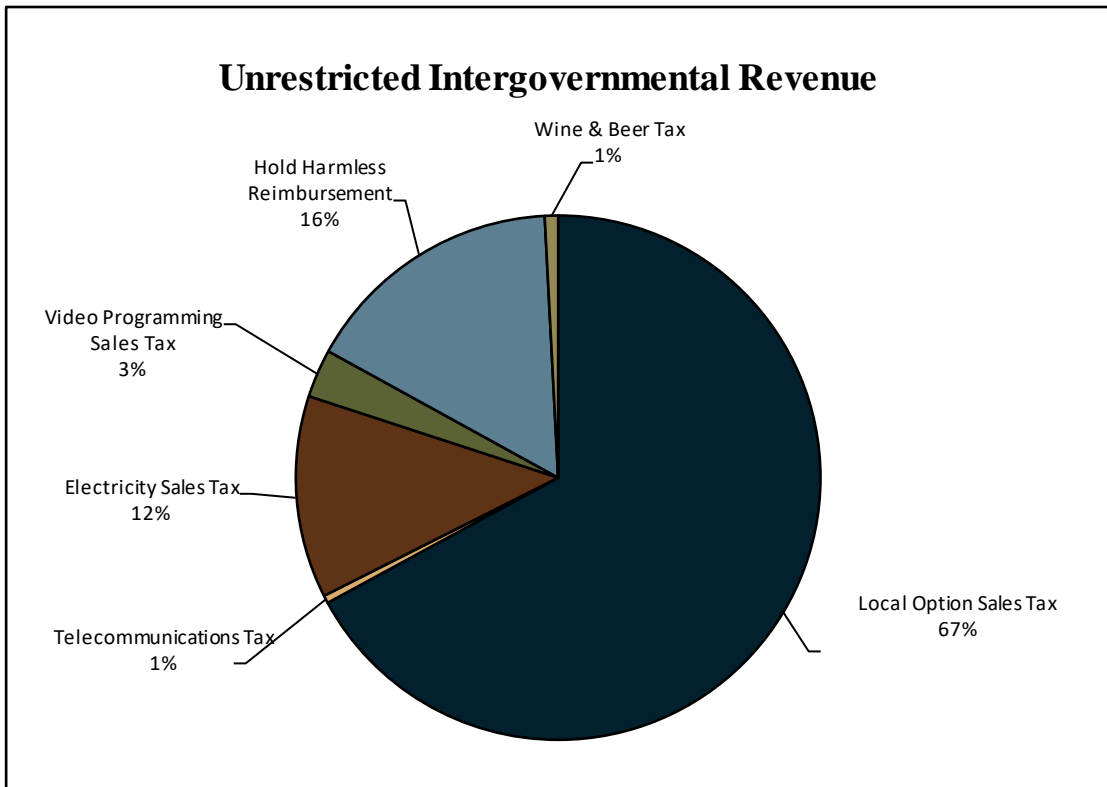
Video programming sales tax is applied to the gross receipts of cable service and direct-to-home satellite service retailers on the video programming provided to subscribers in the State. Programming provided by, or generally considered comparable to programming provided by, a television broadcast station, regardless of the method of delivery is subject to the tax. Gross receipts are taxed at the combined general sales tax rate of 7.0%.

The hold harmless reimbursement is based on taxable sales made in the county and is allocated among the county and the local government jurisdictions within the county based upon a per capita basis. These hold harmless reimbursements were granted to municipalities to replace the Article 44 sales tax that was repealed as part of the Medicaid relief program for counties. The State of North Carolina distributes these funds to the Village monthly.

The wine and beer tax is levied by the State of North Carolina on the sale of malt beverages, fortified wine and unfortified wine. A percentage of the tax on the sales of these beverages that are generated from within the Village's corporate limits is distributed to the Village by the state annually.

UNRESTRICTED INTERGOVERNMENTAL REVENUES

Unrestricted Intergovernmental Revenue	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Local Option Sales Tax	\$ 5,261,285	\$ 5,520,000	\$ 5,520,000	\$ 5,878,000	6.5%
Telecommunications Tax	50,360	46,000	46,000	42,000	-8.7%
Electricity Sales Tax	1,044,075	1,037,000	1,070,000	1,093,000	5.4%
Video Programming Sales Tax	271,201	258,000	258,000	261,000	1.2%
Hold Harmless Reimbursement	1,258,527	1,331,000	1,331,000	1,417,000	6.5%
Wine & Beer Tax	70,053	75,100	71,200	71,900	-4.3%
Total Unrest. Intergovernmental Revenue	\$ 7,955,501	\$ 8,267,100	\$ 8,296,200	\$ 8,762,900	6.0%



Revenue Assumptions

- Local option sales tax estimates are based on a combination of the expected statewide growth or loss factor for Articles 39, 40, and 42, adjusted for local economic conditions. The statewide rates are estimated by the North Carolina League of Municipalities (NCLM) in conjunction with economists from the North Carolina General Assembly. These estimates are communicated to all municipalities to aid them in budgeting these state-collected revenues. This year, the NCLM is projecting sales tax growth in FY 2023 of 11.0% and 6.3% in FY 2024. Thus far in FY 2023, most local government sales tax distributions have grown by approximately 15% above FY 2022. Based on this forecast, the FY 2024 local option sales tax and associated hold harmless revenue budgets will increase by approximately 6.5% over the FY 2023 budget.
- Telecommunications taxes are projected based upon growth assumptions provided by the NCLM. The telecommunication industry continues to experience a decline in the total number of landlines. The NCLM is projecting this revenue to decrease 0.3% in FY 2023 and 9.4% in FY 2024. Based on this forecast and actual revenues collected so far in FY 2023, the Village's telecommunications tax revenue will decrease by approximately 8.7% in FY 2024 below the FY 2023 budgeted amount.
- Electricity sales taxes are also projected based upon growth assumptions provided by the NCLM. This revenue is directly related to electricity usage and is impacted by the number of heating and cooling days each year. The NCLM is projecting this revenue to increase 2.1% in FY 2023 and 1.0% in FY 2024. The Village is increasing the electricity sales tax revenue budget for FY 2024 by approximately 5.4% over the prior year budget. This estimated growth is higher than the NCLM projection because the growth in the Village's actual receipts has outpaced the NCLM statewide averages.
- Thus far, distributions of video programming sales taxes for FY 2023 are lower than the amounts collected in FY 2022 as the industry continues to face competition from other video content providers, such as streaming services. The NCLM is projecting this revenue to decrease 4.7% in FY 2023 and 2.9% in FY 2024. The Village's video programming sales tax revenue will increase slightly in FY 2024 as compared to the FY 2023 budgeted amount based on the Village's actuals trend compared to NCLM's statewide projections.
- Wine and beer tax revenues are dependent on the proportion of beer and wine sold in North Carolina. We are expecting a decrease of 4.3% in FY 2024 below the FY 2023 budgeted amount based on the actuals trend for the Village. These revenues are collected during a period of April through March of the following year, with revenues typically distributed to municipalities by June.

Description of Revenue Source

Restricted intergovernmental revenues include Powell Bill funds, solid waste disposal tax, controlled substance tax, Library State Aid, and may include other miscellaneous federal or state grants that are restricted for a specific purpose.

Powell Bill revenue is the annual appropriation from the North Carolina State Highway Fund. The Village’s annual distribution of Powell Bill revenue is calculated based upon two factors: a per capita rate and the number of street miles maintained within the Village’s corporate limits.

The State levies a \$2 per-ton “tipping tax” on municipal solid waste and construction and demolition debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside the state. Cities in North Carolina receive 18.75% of this State collected revenue which is distributed based on a per capita basis for solid waste management programs and services. The Village uses these funds primarily to fund its recycling program.

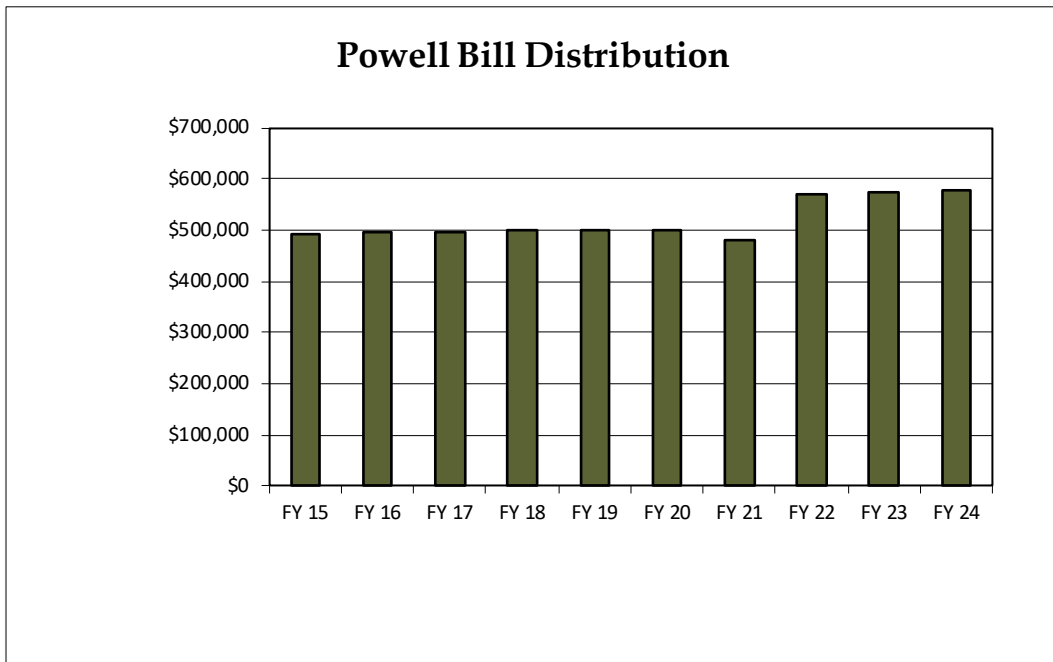
The Given Memorial Library receives funding from the state’s Aid to Public Libraries Fund. The allocation to each public library is determined by the State Library based upon a formula approved by the North Carolina Library Commission. The library’s service area population and per capita income have an impact in the funding formula.

Restricted Intergovernmental Revenues	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Powell Bill	\$ 568,939	\$ 572,245	\$ 572,245	\$ 577,000	0.8%
Controlled Substance Tax Distribution	4,920	500	500	700	40.0%
Solid Waste Disposal	13,308	13,700	13,700	14,300	4.4%
Other Grants	15,694	120,974	120,974	-	-100.0%
Library State Aid	1,243	7,500	7,500	7,500	0.0%
Total Rest. Intergovernmental Revenues	\$ 604,104	\$ 714,919	\$ 714,919	\$ 599,500	-16.1%

Revenue Assumptions

- The per capita rate used in the estimation of Powell Bill revenue is \$21.69, which is the same as the previous year’s actual distribution rate. The street mile rate utilized to project the allocation is \$1,675 per street mile maintained, the same allocation per street mile as from the FY 2023 distribution. These estimated distribution rates are based on the prior year’s rate. The Powell Bill funding for FY 2024 has not been agreed upon by North Carolina and must still be negotiated with the North Carolina Senate and signed by the Governor. Based on this forecast, the FY 2024 Powell Bill revenue will increase by approximately 0.8% over the FY 2023 budgeted amounts.
- The NCLM projects that solid waste disposal revenue will increase by 6.9% for FY 2023 and will increase by 2.0% in FY 2024. The Village is increasing the budget for this revenue by 4.4% over the FY 2023 levels as a result of these projections and the Village’s actuals trend.
- The Village does not budget for other grant revenues until a grant award notification has been received. In FY 2023, the Village received three separate grants related to various functions. No grant award notifications have been received for FY 2024.

- The Village is projecting level funding for Library State Aid from FY 2023 to FY 2024 as the service area population and per capita income are not expected to change significantly.



Description of Revenue Source

Permits and fees consist primarily of permit and inspection fees, planning and zoning fees, and fire district revenue. There are also several other minor fees that are included in Permits and Fees revenue.

Permit and inspection fees and planning and zoning fees are established by the Village Council, reviewed annually, and modified if needed. These permits and fees are charged to builders, developers, and homeowners for new construction and additions/alterations to property. The Village’s growth is generated primarily by new residential construction; therefore, it is new home construction that really drives this revenue source. In recent years, Village staff performed a comprehensive cost analysis of permitting, inspections, planning, and engineering fees to determine the rates necessary to cover the Village’s costs of providing these services.

Fire district revenue represents funding paid to the Village by Moore County for the Village’s Fire Department to provide fire protection, rescue services, and medical first response in a geographic district outside of the Village limits. The Village also contracts with Taylortown, a neighboring town, to provide fire protection services under an annual contract. These funding sources are included in fire district revenue. Moore County provides funding through a formula that is calculated based on the level of fire service provided. The amount of funds paid to the Village by Taylortown is based upon the taxable value in Taylortown and the tax rate established by Moore County that is applied to the real and personal property in the unincorporated areas of the county. Moore County remits payment to the Village monthly while Taylortown pays quarterly.

In June 2024, Pinehurst is hosting the Men’s U.S. Open Championship. The United States Golf Association (USGA) will pay the Village \$350,000 for use of Village spaces and services and the cost of fees and permits in accordance with the licensing agreement.

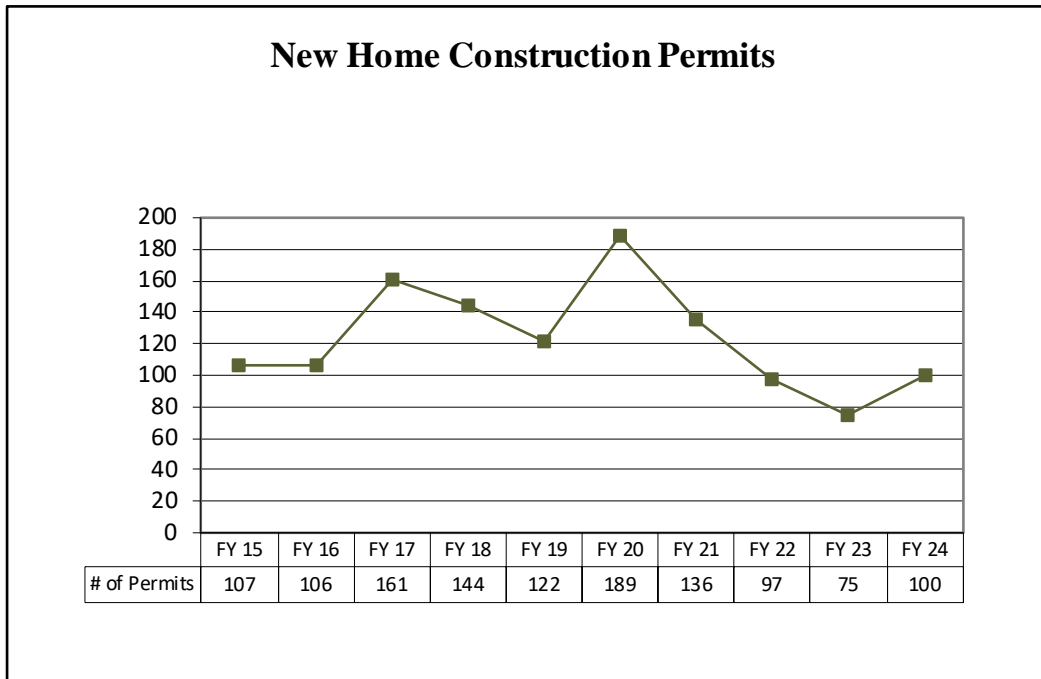
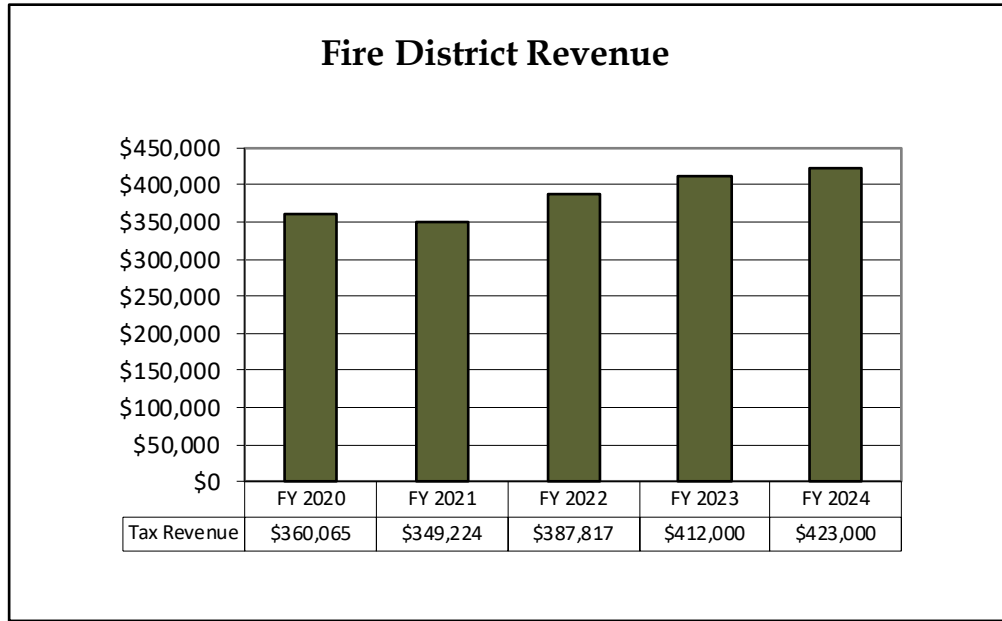
Permits & Fees	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Permit & Inspection Fees	\$ 278,999	\$ 250,000	\$ 260,000	\$ 250,000	0.0%
Planning & Zoning Fees	260,666	250,000	250,000	250,000	0.0%
Fire District Revenue	387,817	412,000	425,000	423,000	2.7%
U.S. Open Licensing Fees	-	-	-	350,000	0.0%
Other Fees	17,420	12,500	12,500	17,300	38.4%
Total Permit & Fees	\$ 944,902	\$ 924,500	\$ 947,500	\$ 1,290,300	39.6%

Revenue Assumptions

- Permit and inspection fees and planning and zoning fees for residential construction expect no change in FY 2024 over prior year budget. The number of new homes being constructed is expected to increase slightly from approximately 75 homes in FY 2023 to 100 homes in FY 2024. Factors contributing to the zero percent change in FY 2024 include lot availability for residential construction.
- Fire district revenues are expected to increase by \$11,000, or 2.7%, over the FY 2023 budget. We based our projections on the current County-wide fire district tax rate of \$0.105. The County-wide

fire district tax rate affects the Village’s County distribution and the fire services contract with the Town of Taylortown.

- The U.S. Open Licensing Fees revenue is based on the agreed-upon amount from the licensing agreement. The Village does not anticipate billing the USGA for any additional fees in FY 2024 related to the U.S. Open Championship.



Description of Revenue Source

Sales and services revenue consists primarily of three separate revenue sources for Parks & Recreation fees and charges. The first source is Harness Track revenue for horse stall and other facility rentals, as well as revenues generated from shows and special events held on the property. The Harness Track is owned and operated by the Village and is the oldest continuously operating equine sports facility in North Carolina.

The second primary revenue source in this category is revenue generated from the Village’s Fair Barn. The Fair Barn is the oldest surviving early twentieth-century fair exhibition hall in North Carolina. It was built in 1917 and has been completely renovated and serves as a multi-purpose community gathering place. Revenue consists of rental fees and admission fees for Village-sponsored special events.

The third major category of sales and services revenue is recreation fees. These are the fees charged to participants in programs, athletic leagues, and events sponsored by the Recreation Department, rental fees charged for park facilities, and event sponsorships.

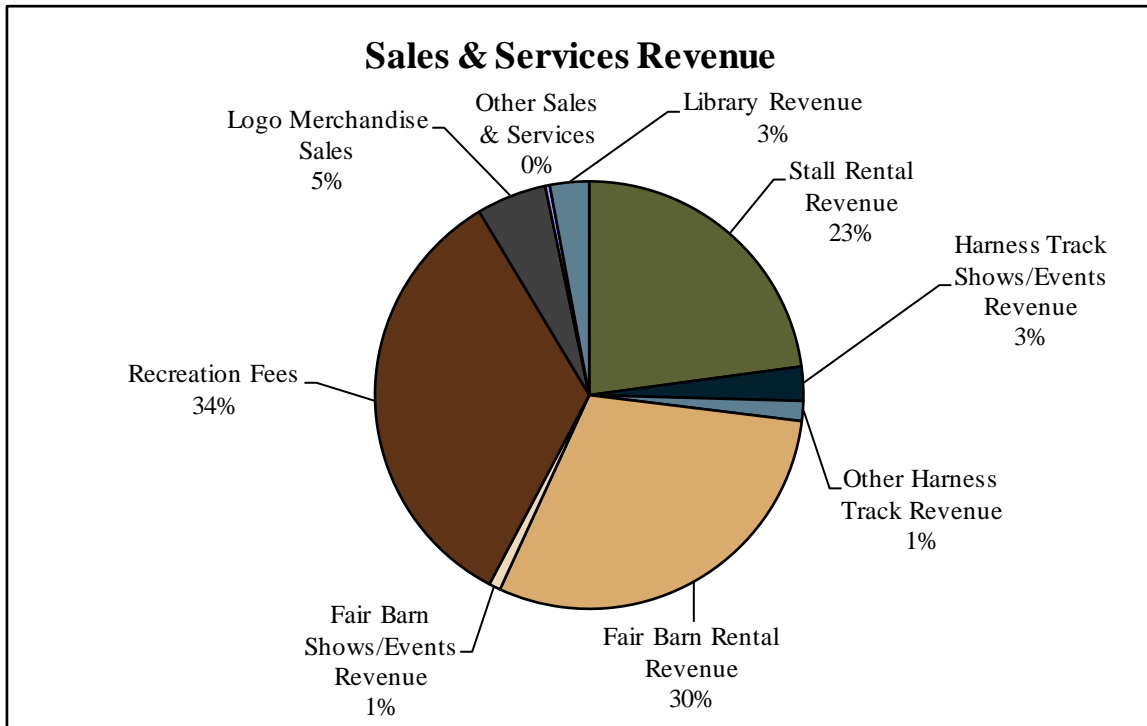
Sales & Services	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Stall Rental Revenue	\$ 149,202	\$ 174,000	\$ 174,000	\$ 195,000	12.1%
Harness Track Shows/Events Revenue	44,968	25,000	25,000	22,000	-12.0%
Other Harness Track Revenue	12,761	12,700	12,700	12,900	1.6%
Fair Barn Rental Revenue	254,477	250,000	250,000	255,000	2.0%
Fair Barn Shows/Events Revenue	5,305	5,000	10,000	7,500	50.0%
Recreation Fees	258,474	270,000	273,000	287,500	6.5%
Logo Merchandise Sales	32,687	35,000	30,000	45,000	28.6%
Other Sales & Services	2,280	2,000	3,000	3,000	50.0%
Library Revenue	2,734	19,200	19,200	25,200	31.3%
Total Sales & Services	\$ 762,888	\$ 792,900	\$ 796,900	\$ 853,100	7.6%

Revenue Assumptions

- Harness Track stall rental revenues are projected to increase by 12.1% for FY 2024 due to expected higher occupancy, improved facilities, and recreational vehicle hook-ups in FY 2024.
- Harness Track show and event revenue is projected to decrease slightly due to use of the Harness Track grounds and facilities by the USGA for the U.S. Open Championship in June 2024. The Harness Track will not be available for other events typically held in June. The fees for the USGA’s use are included in the U.S. Open Licensing Fees revenue.
- Fair Barn rental revenues are expected to increase 2.0% from FY 2023 budgeted levels due to increased rentals of the facility and higher facility rental rates beginning in FY 2024.
- Recreation fees are expected to increase by 6.5% from the prior year’s budget. The Village has plans to expand recreation and athletic program offerings in FY 2024.
- The Village began selling logo merchandise in FY 2017 to expand overall awareness of the Village’s brand. Logo merchandise sales have grown and an increase of \$10,000, or 28.6%, is expected in FY 2024 with the U.S. Open Championship being held in Pinehurst in June 2024.

- Library revenue primarily includes estimates for archives book and photo sales. Income estimates are based on prior year revenues. Photo sales are expected to increase causing a 31.3% increase in Library revenues due to the U.S. Open Championship being held in Pinehurst in June 2024.

The distribution of sales and services revenue by source is depicted in the following graph.



Description of Revenue Source

Other revenues include Alcoholic Beverage Control (ABC) revenues, library donations, library endowment income, and other miscellaneous revenues. ABC revenue is based on a percentage of the sale of mixed beverages from local merchants and the net profits from counter sales of alcoholic beverages in Pinehurst at ABC Stores. Library endowment income is received from the Given Tufts Foundation based on the endowment spending policy formula. Other miscellaneous revenues include sales of surplus assets, donations made to the Village, fees generated by the Police Department, and other minor fees.

Other Revenues	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
ABC Revenues	\$ 298,625	\$ 301,700	\$ 301,700	\$ 316,500	4.9%
Library Endowment Income	-	106,000	106,000	105,000	-0.9%
Other Miscellaneous Revenues	205,376	138,577	141,377	95,300	-31.2%
Total Other Revenues	\$ 504,001	\$ 546,277	\$ 549,077	\$ 516,800	-5.4%

Revenue Assumptions

- ABC revenue is projected to increase by 4.9% for FY 2024 due to strong growth in local store profits in the current year.
- Library endowment income is calculated as 4% of an anticipated three-year average balance of \$2.8 million in the Foundation’s endowment fund. This calculation is established in the Transfer Agreement between the Given Memorial Library Board and the Village of Pinehurst.
- Other miscellaneous revenues reflect a decrease in the FY 2024 budget. The majority of this decrease is related to a one-time forfeited bond received in FY 2023 and not expected again in FY 2024.



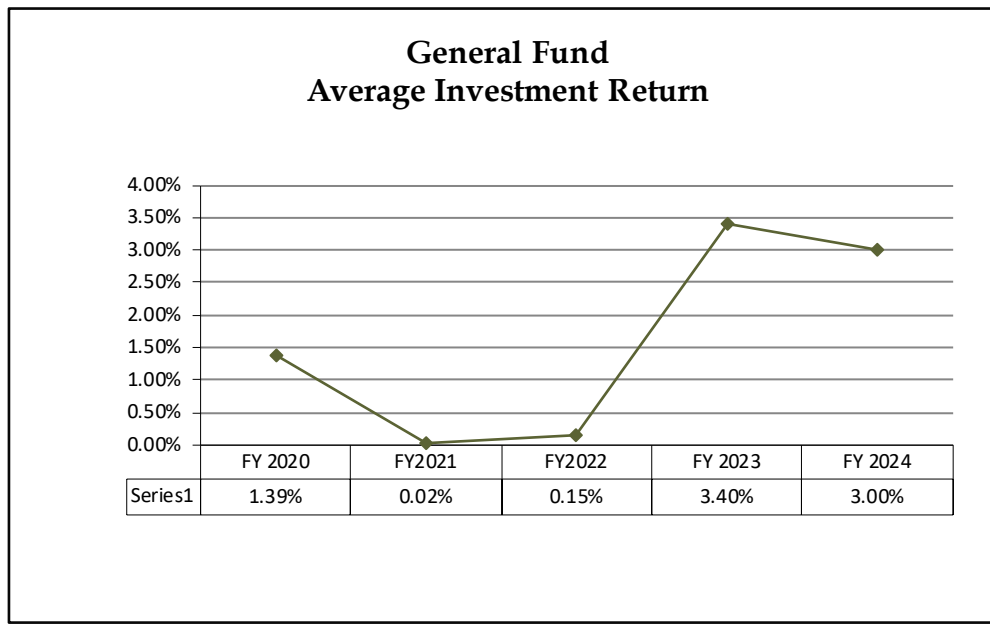
Description of Revenue Source

Investment income includes the return earned on cash and investment balances. Interest is earned on the cash balances invested with the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a7) money market mutual fund that invests in bank certificates of deposit, U. S. Treasury and Agency securities, and high-grade commercial paper.

Investment Income	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Investment Income	\$ 24,570	\$ 433,000	\$ 434,000	\$ 640,100	47.8%
Total Investment Income	\$ 24,570	\$ 433,000	\$ 434,000	\$ 640,100	47.8%

Revenue Assumptions

- Investment income of \$640,100 is expected in FY 2024 as interest rates increased in FY 2023 and are projected to remain in the 4.1%-5.1% range during FY 2024. The average rate of return expected in FY 2024 is 3.0%.



Description of Revenue Source

Other Financing Sources is comprised of operating transfers from other funds and lease liabilities issued.

Other Financing Sources	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Lease Liabilities Issued	\$ 36,123	\$ -	\$ -	\$ 25,100	0.0%
Transfer from Special Revenue Fund	-	5,297,720	5,297,720	-	100.0%
Total Other Financing Sources	\$ 36,123	\$ 5,297,720	\$ 5,297,720	\$ 25,100	100.0%

Revenue Assumptions

- The American Rescue Plan Act Special Revenue Fund accounted for the \$5.3 million of federal grant funding received from the American Rescue Plan Act. The transfer to close the American Rescue Plan Act Special Revenue Fund occurred in FY 2023 and is not expected again in FY 2024.
- Lease liabilities will be issued in FY 2024 for \$25,100.



Description of Revenue Source

Revenue from fund balance appropriations is the use of equity (net position), which has been accumulated from previous fiscal years, to pay for current fiscal year expenditures.

Fund Balance Appropriations	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Fund Balance Appropriated	\$ -	\$ 15,371	\$ -	\$ 600,100	3804.1%
Total Fund Balance Appropriations	\$ -	\$ 15,371	\$ -	\$ 600,100	3804.1%

Revenue Assumptions

- For FY 2024, \$600,100 of the Village’s fund balance has been appropriated as a revenue source. Historically, operating revenues come in at 101% of budget while operating expenditures typically fall 8% below budget. If historical trends continue for FY 2024, the Village’s fund balance will increase by approximately \$1,705,325, which will result in a projected ending fund balance of 68.4% of General Fund expenditures. This is above Council’s adopted policy minimum of 30% and positions the Village to address significant future projects and maintain service levels during a time of economic uncertainty.





Department Profile

The Governing Body of the Village consists of a five-member council that includes a directly elected Mayor. The Council provides leadership to achieve the Village’s mission and strategic vision for the future. The Council considers and adopts local ordinances and resolutions to provide for the health, safety, and overall quality of life for the residents, businesses, and visitors of Pinehurst.

Areas of focus for FY 2024:

- Develop codes and ordinances to protect the character of Village neighborhoods
- Support the business community
- Provide a safe and effective multi-modal transportation system

Other responsibilities include the following:

- Provide governance for a population of approximately 18,000
- Sets strategic direction for approximately 163 full-time equivalents (FTEs)
- Adopts the Strategic Operating Plan, which includes the annual budget and five-year financial forecast
- Approves policies that provide guidance for all municipal operations

There are no KPIs for the Governing Body Department, as Council’s goals, objectives, and KPIs are identified on the VOP Balanced Scorecard. Additional information about the Governing Body Department may be obtained by contacting Kelly Chance, Village Clerk, at 910.295.1900 or kchance@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 29,989	\$ 31,000	\$ 30,100	\$ 33,700	8.7%
Operating	108,596	169,300	163,800	219,300	29.5%
Expenditures Total	\$ 138,585	\$ 200,300	\$ 193,900	\$ 253,000	26.3%



Village Council Members

Department Profile

The Administration Department, which includes the Village Manager, Assistant Village Managers, Organizational Performance Director, Village Clerk, Communications Specialist, and administrative support staff, executes the mission of the Council to promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Additional information about the Administration Department may be obtained by contacting Jeff Sanborn, Village Manager, at 910.295.1900 or jsanborn@vopnc.org.

Departmental focus for FY 2024:

- Provide vision and leadership to 17 other departments and divisions of the Village
- Effectively communicate with and engage residents and businesses through online engagement portals, social media, and public input meetings
- Oversee the development and implementation of the annual Strategic Operating Plan
- Manage and monitor department and organizational performance
- Recruit, train, engage, and reward over 200 volunteers
- Provide customer service and administrative support to both internal and external customers

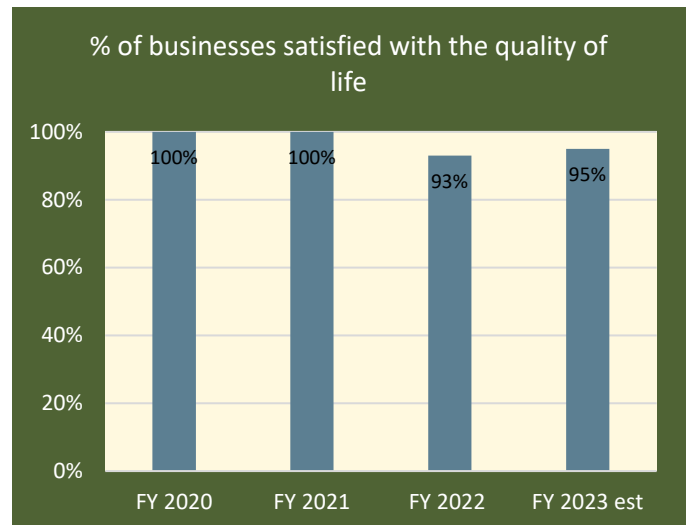
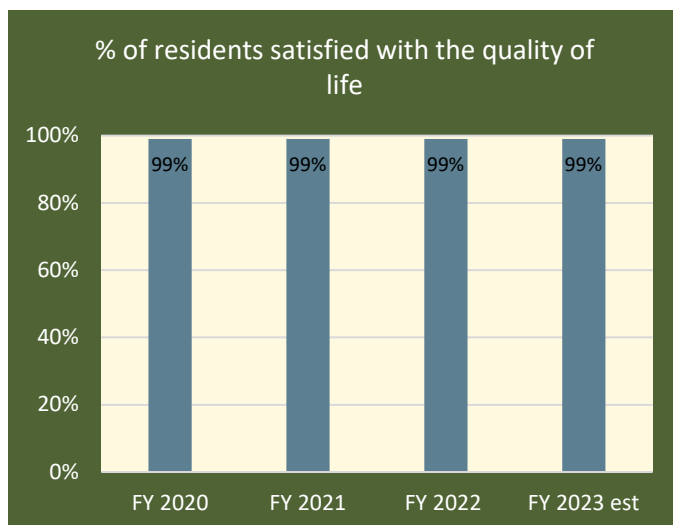
Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 922,806	\$ 1,086,700	\$ 1,030,800	\$ 1,180,700	8.7%
Operating	411,085	504,044	496,844	515,680	2.3%
Capital	303,412	180,381	180,381	70,905	-60.7%
Expenditures Total	\$ 1,637,303	\$ 1,771,125	\$ 1,708,025	\$ 1,767,285	-0.2%

FY 2024-2028 Initiative Action Plans

Initiative Action Plans	FY	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<i>Implement a metropolitan transportation organization (MPO) – with assistance from regional partners</i>	FY 2024-2028	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000

Following the Trends



Measuring for Success

Strategic Goal: Professionally Manage a High-Performing Organization	Department Goal: Effectively communicate with and obtain actionable feedback from customers						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of Village residents satisfied with Village's effort to communicate through social media	96%	95%	●	95%	95%	95%
	# of website sessions	164,375	230,721	●	250,000	250,000	250,000
	% of businesses satisfied with VOP efforts to communicate with businesses	93%	85%	●	87%	90%	90%
	% of residents satisfied with Village efforts to keep residents informed on local issues	92%	91%	●	91%	90%	90%
	% of Council, P&Z/BOA, and HPC committee agendas with supporting materials posted to the Village website 5 days in advance of meetings	100%	100%	●	100%	99%	99%
	% of Council, P&Z/BOA and HPC meeting videos posted to the Village website within 24 hours of the meeting	100%	100%	●	98%	99%	99%
	% of MyVOP requests and complaints responded to on-time	98%	98%	●	95%	95%	95%
	Department Goal: Oversee the implementation of the Village's Strategic Operating Plan and manage the overall operations of the Village						
% of residents satisfied with the quality of life	99%	99%	●	99%	97%	97%	
% of businesses satisfied with the quality of life	100%	93%	●	95%	95%	95%	
% of businesses satisfied with customer service provided by VOP staff	97%	93%	●	95%	95%	95%	
% of Initiative Action Plans (IAPs) that achieve targeted results	57%	80%	●	80%	80%	80%	
Department Goal: Identify, analyze, and mitigate risks to the Village							
Cost of risk (premiums, legal fees, & losses) as a % of General Fund expenditures	1.68%	2.05%	●	2.10%	2.10%	2.10%	

Strategic Goal: Attract and retain an engaged workforce	Department Goal: Recruit, train, engage, and reward volunteers						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of volunteers who would recommend volunteering for the Village to a friend	96%	94%	●	95%	95%	95%
Department Goal: Ensure effective two-way communication with the workforce							
% of workforce who are satisfied with annual State of the Village meetings	100%	100%	●	99%	98%	98%	

Department Profile

The Financial Services Department ensures that the Village of Pinehurst achieves its mission by maintaining a healthy financial condition. The Financial Services Director reports directly to the Assistant Village Manager of Administration and serves as a member of the senior leadership team. The department consists of the Director, Assistant Director, Supervisor, and two Financial Services Technicians.

Additional information about the Financial Services Department may be obtained by contacting Dana Van Nostrand, CPA, Financial Services Director, at 910.295.1900 or dvannostrand@vopnc.org.

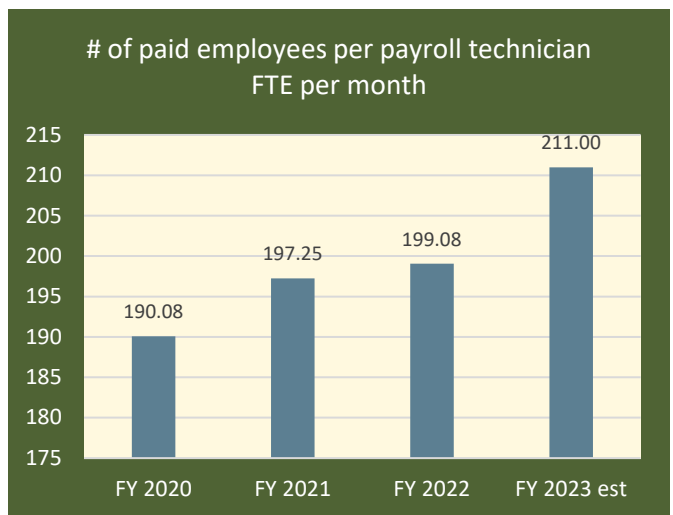
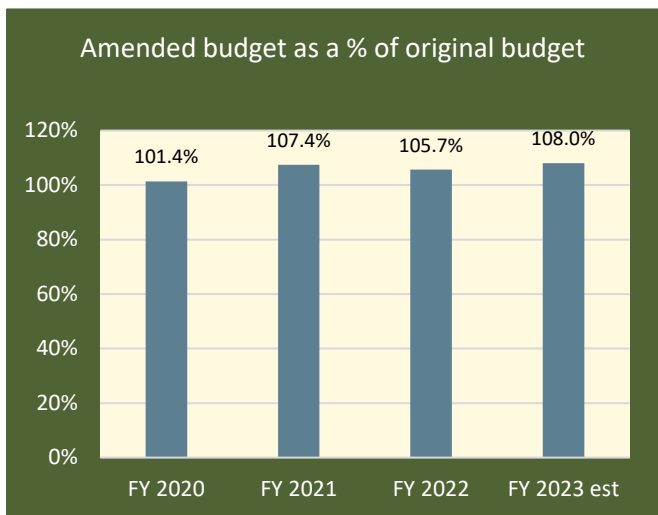
Departmental focus for FY 2024:

- Monitor compliance with regulations and Council-approved financial policies and guidelines
- Prepare the \$26.9 million annual budget and five-year financial forecast in accordance with the Government Finance Officers Association Distinguished Budget award requirements
- Evaluate ways to automate employee timekeeping
- Manage \$23 million in cash and investments to ensure appropriate liquidity and maximize investment earnings
- Process timely and accurate accounts payable, accounts receivable, and payroll
- Prepare complete and accurate internal and external financial reports in accordance with user needs and professional standards
- Oversee purchasing and contracting functions

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 442,225	\$ 462,650	\$ 454,700	\$ 489,350	5.8%
Operating	345,037	391,890	383,890	411,270	4.9%
Capital	4,709	780	780	3,300	323.1%
Total Expenditures	\$ 791,971	\$ 855,320	\$ 839,370	\$ 903,920	5.7%

Following the Trends



Measuring for Success

Strategic Goal: Maintain a healthy financial condition	Department Goal: Produce accurate and timely financial reports						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	GFOA Certificate of Achievement in Financial Reporting received ¹	Yes	Yes	●	Yes	Yes	Yes
	A "clean" audit opinion received by external auditors ²	Yes	Yes	●	Yes	Yes	Yes
	% of time month end expenditures closing entries are posted by the 10th day of the following month ³	92%	92%	●	92%	92%	92%
	% of employees satisfied with the availability of financial information	99%	99%	●	97%	95%	95%
	Department Goal: Develop a five-year Strategic Operating Plan and annual budget in accordance with the Council's financial policies						
	Actual revenues as a % of forecasted revenues	105%	103%	●	101%	101%	101%
	Unassigned General Fund (GF) balance as a % of actual expenditures	15%	23%	●	15%	15%	15%
	GFOA Distinguished Presentation Award received	Yes	Yes	●	Yes	Yes	Yes
	Department Goal: Process financial transactions efficiently and effectively						
	# of accounts payable invoices and payments processed per accounts payable FTE per month (SP9.2)	712	750	●	761	775	790
	% of purchase orders processed within 1 business day of submission	100%	100%	●	100%	95%	95%
	% of employees satisfied with the timeliness of purchasing services	98%	100%	●	98%	95%	95%
	% of employees satisfied with the quality of purchasing services	98%	99%	●	98%	95%	95%
	# of payroll transactions processed per payroll technician FTE per month	675	714	●	800	775	850
	% of employees satisfied with the accuracy of payroll services	99%	98%	●	98%	95%	95%
	# of other financial transactions processed per finance technician FTE	295	362	●	390	375	450
	Notes: ¹ VOP has received the GFOA Certificate of Achievement in Financial Reporting for 30 consecutive years. ² VOP has received a "clean" audit opinion from external auditors for 23 consecutive years. ³ Month end expenditure closing entries are posted by the 10 th day of the following month to provide department heads with timely financial information. At year end, closing entries are not able to be completed in 10 days, so 11/12 months, or 92% are completed by the deadline.						

Department Profile

The Human Resources Department furthers the Village of Pinehurst’s mission by attracting and retaining an engaged workforce. The Human Resources Director reports directly to the Village Manager and serves as a member of the senior leadership team. Along with the Director, one full-time Human Resources Generalist and one full-time Human Resources Specialist provide a strategic service for recruitment, retention, and recognition of competent staff.

Additional information about the Human Resources Department may be obtained by contacting Angela Kantor, Human Resources Director, at 910.295.1900 or akantor@vopnc.org.

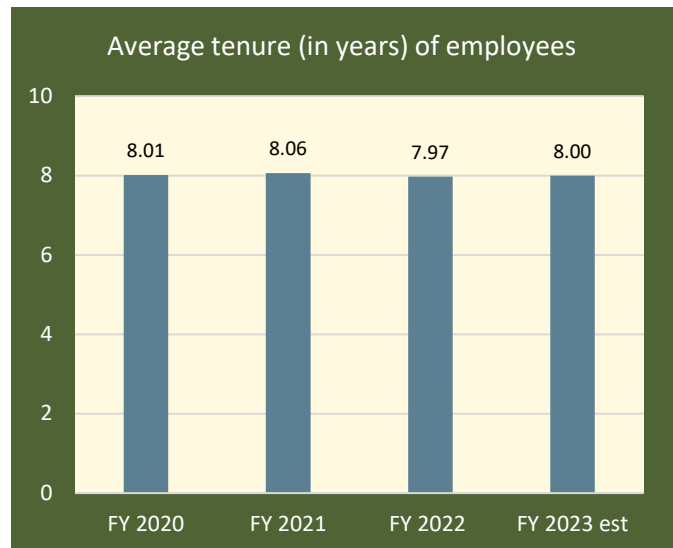
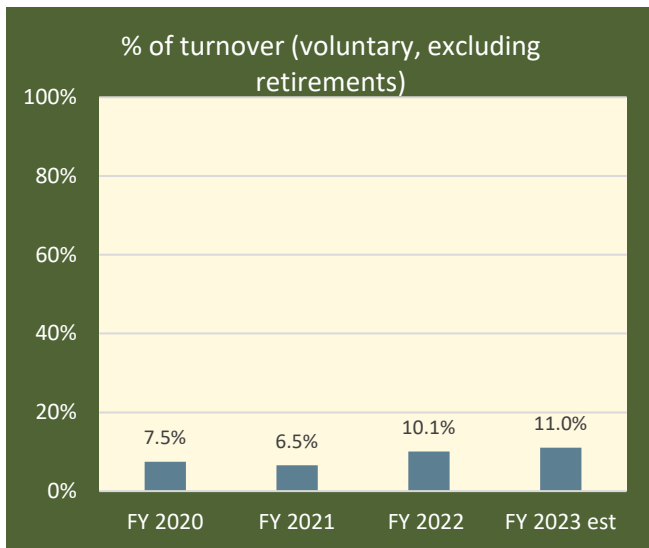
Departmental focus for FY 2024:

- Review and update employee policies and benefits
- Manage the Learning and Development System and succession plan for all employees
- Evaluate ways to improve the Village’s recruiting process to recruit future employees and meet current service demands

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 280,799	\$ 328,250	\$ 322,900	\$ 356,050	8.5%
Operating	157,050	227,260	202,260	340,610	49.9%
Capital	-	1,040	1,040	9,900	851.9%
Expenditures Total	\$ 437,849	\$ 556,550	\$ 526,200	\$ 706,560	27.0%

Following the Trends



Measuring for Success

Strategic Goal: Attract and retain an engaged workforce	Department Goal: Maintain a reward system that recognizes employees						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of employees who like the VOP's employee recognition programs	93%	94%	●	93%	90%	90%
	% of unique employees recognized in Village-wide award programs	74%	65%	●	75%	75%	80%
	Department Goal: Maintain a safe work environment						
	% of work injuries that are due to negligence ¹	0%	4%	●	5%	7%	7%
	% of accidents that are due to negligence ¹	45%	36%	●	40%	45%	40%
	Department Goal: Provide a competitive compensation package						
	% of employees satisfied with their 401k/457b/retirement benefits	98%	100%	●	90%	90%	90%
	% of employees satisfied with the leave benefits available to them	98%	93%	●	90%	90%	90%
	% of employees satisfied with their health insurance benefits	92%	88%	●	90%	90%	90%
	Department Goal: Effectively fill vacant positions						
	% of positions filled within target date	78%	73%	●	80%	75%	80%
	Sick leave hours used per 1,000 hours worked	37	40	●	47	40	33
	Department Goal: Provide training and development opportunities						
	% of employees who are satisfied with the learning and development opportunities available to them	98%	96%	●	90%	90%	90%
	% of employees who agree they have received adequate training to do their job	97%	98%	●	95%	95%	95%
	% of employees satisfied with TOPS training programs ²	N/A	N/A	N/A	95%	95%	95%
	% of vacancies filled with internal candidates ³	47%	35%	●	35%	35%	35%
	Promotion rates ³	20%	16%	●	3%	8%	8%
	Department Goal: Provide efficient and effective Human Resources support						
	% of employees satisfied with the timeliness of HR services	95%	93%	●	90%	90%	90%
	% of employees satisfied with responsiveness of HR employee recruiting services	93%	92%	●	90%	90%	90%
	Notes: ¹ The VOP Safety and Risk Management Committees analyze injuries and accidents to determine trends and root causes. VOP is projecting the % that are due to negligence to decline as we implement actions to address injury and accident root causes. ² TOPS training was not held in FY20, FY21, and FY22 due to COVID-19 restrictions. ³ These measures indicate the VOP's effectiveness at preparing, developing, and training employees for internal promotion and advancement opportunities.						

Department Profile

The Police Department furthers the Village of Pinehurst’s mission by ensuring the community is safe for residents, businesses, and visitors. The Police Chief reports directly to the Village Manager and serves as a member of the senior leadership team. In addition to the Chief, the Police Department consists of 24 sworn police officers, four telecommunications specialists, one administrative coordinator, and six reserve auxiliary officers, plus part-time police apprentices planned in the FY 2024 budget, to protect the life and property of approximately 18,000 residents.

Departmental focus for FY 2024:

- Patrol three response areas and enforcing traffic laws
- Update mobile and dispatch radios identified through the Police dispatch ACE
- Promote strong community engagement through the Citizen’s Police Academy and recruitment of volunteer Citizens on Patrol (COPS) that are used to augment the paid Police personnel

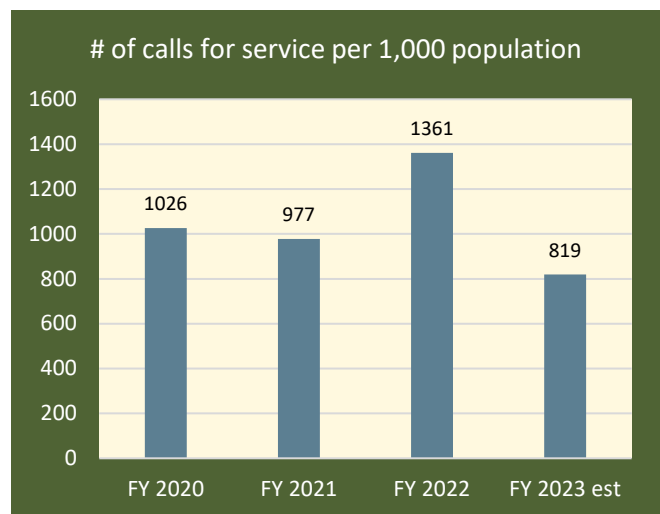
Additional information about the Police Department may be obtained by contacting Glen Webb, Police Chief, at 910.295.3141 or gwebb@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 2,505,352	\$ 2,929,050	\$ 2,808,700	\$ 3,209,450	9.6%
Operating	708,997	1,533,098	1,488,998	1,018,360	-33.6%
Capital	230,094	445,351	445,351	517,737	16.3%
Expenditures Total	\$ 3,444,443	\$ 4,907,499	\$ 4,743,049	\$ 4,745,547	-3.3%

Revenues by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Police Grants	\$ 15,694	\$ 10,417	\$ 10,417	\$ -	100.0%
Controlled Substance Tax Distribution	4,920	500	500	700	40.0%
Miscellaneous Police Revenues	6,727	7,000	8,000	7,500	7.1%
Revenues Total	\$ 27,341	\$ 17,917	\$ 18,917	\$ 8,200	-54.2%

Following the Trends



Measuring for Success

Strategic Goal: Safeguard the community	Department Goal: Enforce traffic laws						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of residents satisfied with enforcement of local traffic laws	87%	88%	●	88%	87%	87%
	Department Goal: Solve crimes						
	% of incidents cleared	34%	44%	●	40%-65%	45%	45%
	Department Goal: Prevent criminal activity						
	% of residents satisfied with the frequency of police patrols	90%	91%	●	90%	90%	90%
	% of businesses satisfied with police patrol	100%	97%	●	95%	97%	97%
	Department Goal: Protect lives and property by responding promptly to calls for service						
90th percentile response time to high priority calls	3:38	3:19	●	3:33	3:26	3:26	

Strategic Goal: Attract and retain an engaged workforce	Department Goal: Utilize Citizen on Patrol volunteers to supplement police staff						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
# of Citizen on Patrol (COP) volunteer hours ¹	1,539	880	●	1,417	1,900	2,500	

Notes: ¹ Each year, VOP holds a Citizen Police Academy and several participants join the Police Department as a Citizen on Patrol (COP). COPs actively patrol, direct traffic, and perform other duties to augment the Police Department. Their volunteer hours are valued at \$20 per hour. VOP experienced a drop in COP volunteer hours in FY20, FY21, and FY22 due to COVID-19.

Department Profile

The Fire Department furthers the Village of Pinehurst’s mission by protecting life and property. The Fire Chief reports directly to the Village Manager and serves as a member of the senior leadership team. Thirty-three firefighters (including one additional firefighter planned in the FY 2024 budget), one fire/life safety educator, one part-time fire inspector and seven reserve firefighters, plus a full-time assistant fire marshal planned in the FY 2024 budget, to protect the Village and rural district from two stations with four engines, two brush trucks, and a rescue truck.

Departmental focus for FY 2024:

- Continue to improve response times to calls for service for the 25.18 square miles service area that includes the Village limits, a rural county district, and the nearby Town of Taylortown
- Educate the public to promote preparedness for all hazards
- Update the VIPER radio system

Additional information about the Fire Department may be obtained by contacting J. Carlton Cole, Fire Chief, at 910.295.5575 or jccole@vopnc.org.

Budget Summary

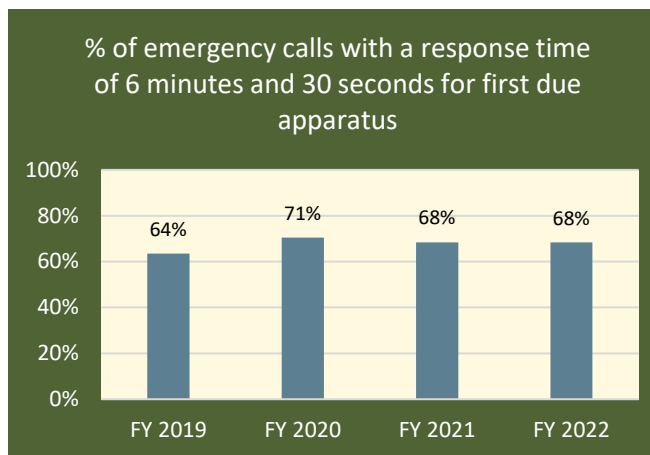
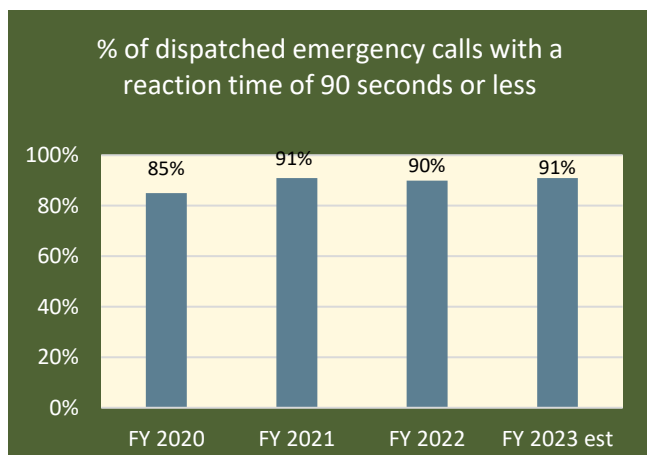
Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 2,484,722	\$ 2,826,850	\$ 2,682,300	\$ 3,333,850	17.9%
Operating	632,987	729,847	699,488	689,880	-5.5%
Capital	652,547	468,880	468,880	127,494	-72.8%
Expenditures Total	\$ 3,770,256	\$ 4,025,577	\$ 3,850,668	\$ 4,151,224	3.1%

Revenues by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Fire District Revenue	\$ 387,817	\$ 412,000	\$ 425,000	\$ 423,000	2.7%
Miscellaneous Fire Revenues	14,430	10,000	10,000	15,000	50.0%
Revenues Total	\$ 402,247	\$ 422,000	\$ 435,000	\$ 438,000	3.8%

FY 2024-2028 Initiative Action Plans

Initiative Action Plans	FY	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<i>Design, build, staff, and equip Fire Station 93</i>	FY 2028	\$0	\$0	\$0	\$0	\$400,000

Following the Trends



Measuring for Success

Strategic Goal: Safeguard the community	Department Goal: Decrease risk of fire in the Village						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of commercial businesses inspected	152%	104%	●	41%	49%	49%
	% of businesses satisfied with fire prevention inspection services	100%	98%	●	95%	95%	95%
	Department Goal: Promptly respond to fire calls for service						
	% of businesses satisfied with fire emergency response times	100%	100%	●	95%	95%	95%
	90th percentile response time for first unit arrival	10:05	9:55	●	9:44	9:54	9:51

Strategic Goal: Attract and retain an engaged workforce	Department Goal: Develop and maintain an effective, advanced workforce						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of full-time uniformed staff who obtain advanced training ¹	103%	58%	●	40%	50%	50%
	% of firefighters meeting or exceeding NFPA firefighter competencies	100%	100%	●	100%	100%	100%

Notes: ¹ This KPI measures the department’s progress toward providing advanced training opportunities to meet requirements or bring new skills to department operations.

Department Profile

The Inspections Division of the Planning Department furthers the mission of the Village of Pinehurst by promoting high-quality development and appearance throughout the community. The division operates under direction of the Planning and Inspections Director. The Inspections Division includes three building inspectors. Inspections personnel both review and enforce compliance with the North Carolina Building Codes for all types of residential and commercial building and development.

Departmental focus for FY 2024:

- Continue a high level of responsiveness to building inspection requests within one business day

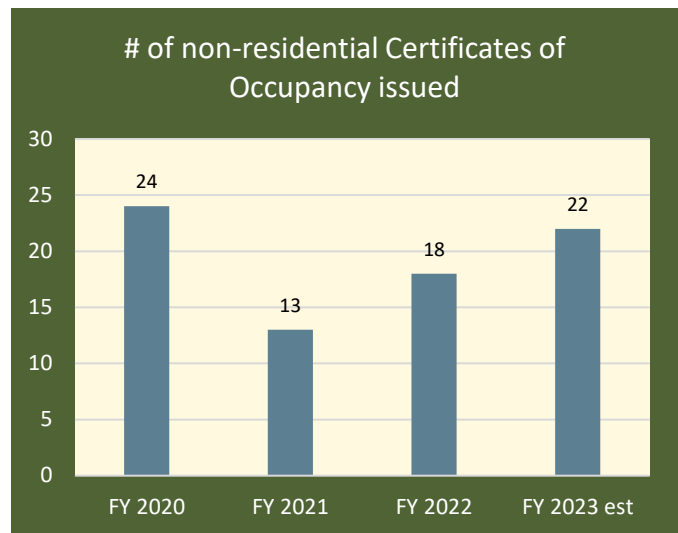
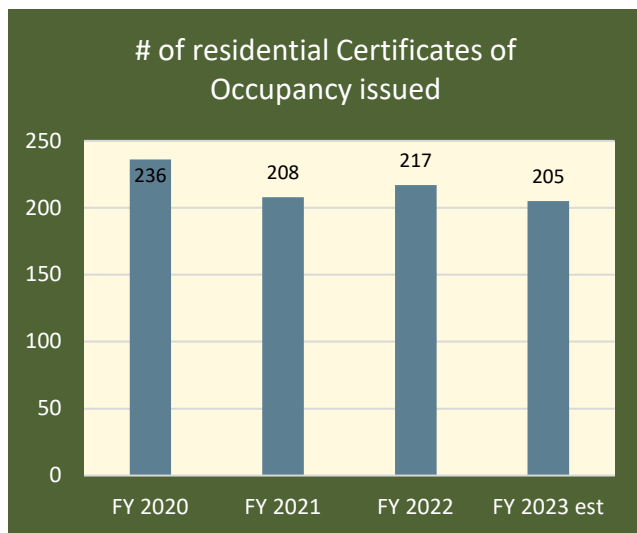
Additional information about the Inspections Division may be obtained by contacting Alex Cameron, Planning and Inspections Director, at 910.295.8664 or acameron@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 306,026	\$ 334,000	\$ 334,700	\$ 370,400	10.9%
Operating	32,060	46,210	44,010	63,910	38.3%
Capital	-	50,520	50,520	3,310	-93.4%
Expenditures Total	\$ 338,086	\$ 430,730	\$ 429,230	\$ 437,620	1.6%

Revenues by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Inspection Permit Revenue	\$ 278,999	\$ 250,000	\$ 260,000	\$ 250,000	0.0%
Revenues Total	\$ 278,999	\$ 250,000	\$ 260,000	\$ 250,000	0.0%

Following the Trends



Measuring for Success

Strategic Goal: Promote high quality neighborhoods, development, and appearance	Department Goal: Inspect residential and non-residential development to ensure compliance with building codes						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of building inspections completed within one business day	100%	100%	●	100%	100%	100%
% of businesses satisfied with building inspections	95%	100%	●	100%	100%	100%	

Strategic Goal: Maintain a healthy financial condition	Department Goal: Recover the costs of inspection services						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	Average cost per building inspection ¹	\$37	\$41	●	\$42	\$40	\$52

Notes: ¹ Based on projected inspection operating expenses of \$350,000 and an estimate of 8,220 inspections (IN.C.1). For FY23, the average cost per inspection is estimated to be \$42.



Inspecting New Residential Buildings

Department Profile

Public Services Administration is a division of the Public Services Department. The Public Services and Engineering Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Public Services Administration Division consists of the Director, the Assistant Director, an Engineering Technician, and an Administrative Assistant.

Areas of focus for FY 2024:

- Manage Streets & Grounds and Solid Waste staff response to resident service requests and complaints through the MyVOP service request system
- Provide engineering services

KPIs for this department are identified in the Solid Waste and Streets & Grounds Divisions. Additional information about Public Services Administration may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 340,328	\$ 411,150	\$ 401,800	\$ 472,350	14.9%
Operating	219,875	326,550	320,350	206,840	-36.7%
Capital	690	353,122	353,122	15,778	-95.5%
Expenditures Total	\$ 560,893	\$ 1,090,822	\$ 1,075,272	\$ 694,968	-36.3%

FY 2024-2028 Initiative Action Plans

Initiative Action Plans	FY	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<i>Relocation of the Public Services Complex</i> – to allow for redevelopment of Village Place	FY 2024 – FY2028	\$80,000	\$400,000	\$6,000,000	\$0	(\$500,000)



Public Services Employees



Department Profile

The Streets & Grounds Division of the Public Services Department furthers the mission of the Village of Pinehurst by promoting high-quality development and appearance, preserving our environment, and promoting transportation mobility and connectivity throughout the community. The division operates under the direction of the Assistant Director of Public Services and reports up to the Assistant Village Manager of Operations. There are 15 members of the Streets & Grounds team organized into two crews: Street Maintenance and Grounds Maintenance. This division serves approximately 18,000 residents encompassing an area of 14.9 square miles, with 108 miles of Village-maintained streets and right-of-ways. Annual resurfacing costs and state funding to municipalities from the restricted state Powell Bill funds for street maintenance are included in the Powell Bill Division. Costs for street patching are included in the Streets & Grounds Division.

Departmental focus for FY 2024:

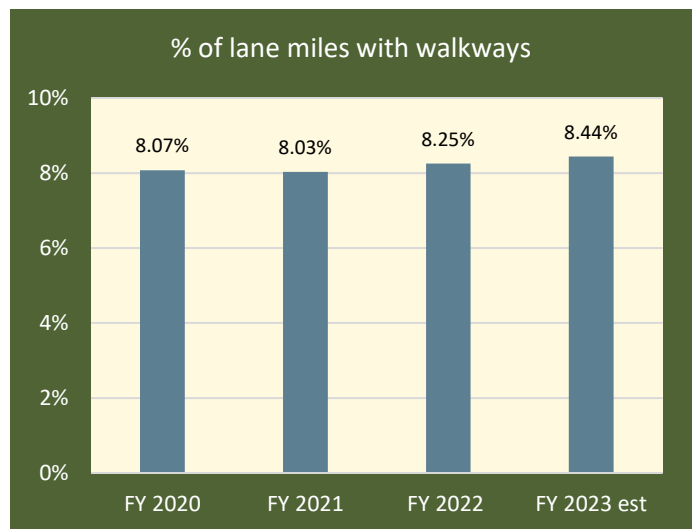
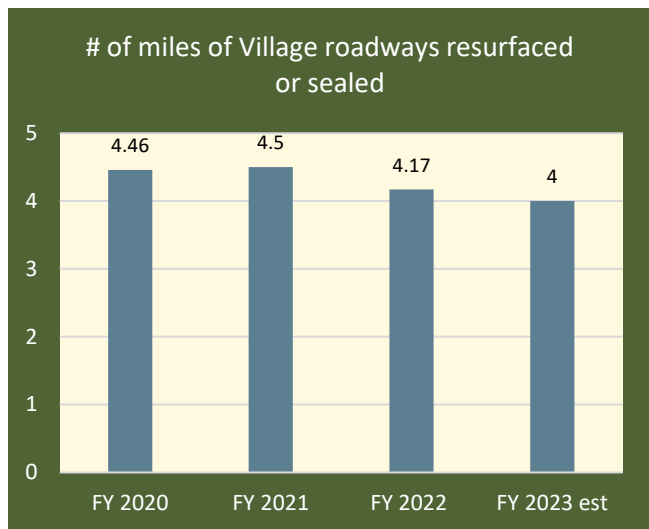
- Monitor and evaluate traffic levels at six key intersections in the Village
- Invest in stormwater drainage projects
- Construct pedestrian facilities
- Implement Village Place streetscape enhancements
- Add other beautification projects along main thoroughfares and gateways
- Maintain roadways, signage, sidewalks, and other public landscape areas at a high level

Additional information about Streets & Grounds Division may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 759,316	\$ 886,400	\$ 841,700	\$ 956,900	8.0%
Operating	673,705	798,470	770,470	876,310	9.7%
Capital	670,088	1,445,110	1,445,110	1,264,580	-12.5%
Expenditures Total	\$ 2,103,109	\$ 3,129,980	\$ 3,057,280	\$ 3,097,790	-1.0%

Following the Trends



Measuring for Success

Strategic Goal: Promote high quality neighborhoods, development, and appearance	Department Goal: Maintain Village right of ways						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	# of right of way lane miles maintained per FTE	16	16	●	16	16	16
% of ROW mowing performed according to schedule	100%	95%	●	95%	95%	95%	

Strategic Goal: Promote transportation mobility and connectivity	Department Goal: Maintain directional and regulatory street signs						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of regulatory reflective signs inspected per NHTSA standards ¹	100%	100%	●	100%	20-30%	20-30%
	Department Goal: Maintain Village roadways						
	% of centerline miles of Village roadways resurfaced and sealed per year	4.18%	3.87%	●	3.68%	3.68%	3.68%
	5-year rolling average of the # of miles of roadways resurfaced and sealed	4.22	4.43	●	4.2	4.23	4
	% of roadways with a Pavement Condition rating of 85 or better	53%	54%	●	54%	54%	54%
	Pavement condition Rating	79.6	83	●	83	83	83
	% of residents satisfied with maintenance of streets in neighborhoods	83%	87%	●	85%	85%	85%
	Department Goal: Provide safe pedestrian facilities with interconnectivity						
% of scheduled walkway miles inspected	N/A	N/A		N/A	25%	25%	

Notes: ¹ VOP inspects regulatory reflective signs every four years per NHTSA standards. In FY24, the measure shifted to include a percentage range of inspected reflective signs per year to meet the four-year goal of 100%

Department Goal: Maintain stormwater facilities							
Strategic Goal: Preserve the environment		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
		% of MYVOP storm water requests addressed on time	97%	99%	●	99%	95%



Streets and Grounds Employee



Department Profile

The Powell Bill Division is managed by the Public Services and Engineering Director and is used to separately identify the expenditure of restricted state Powell Bill funds that are used for the purpose of construction, repair, and maintenance of 108 miles of Village-owned streets and right of ways. To determine which roads will be resurfaced in a given year, Village staff review the pavement condition ratings of all Village-owned roads that are rated every three years by an independent outside agency using standardized rating methodologies.

KPIs for the Powell Bill Division are provided in the Streets & Grounds Division. The Powell Bill Division does not contain any staff. However, additional information about the Powell Bill Division may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

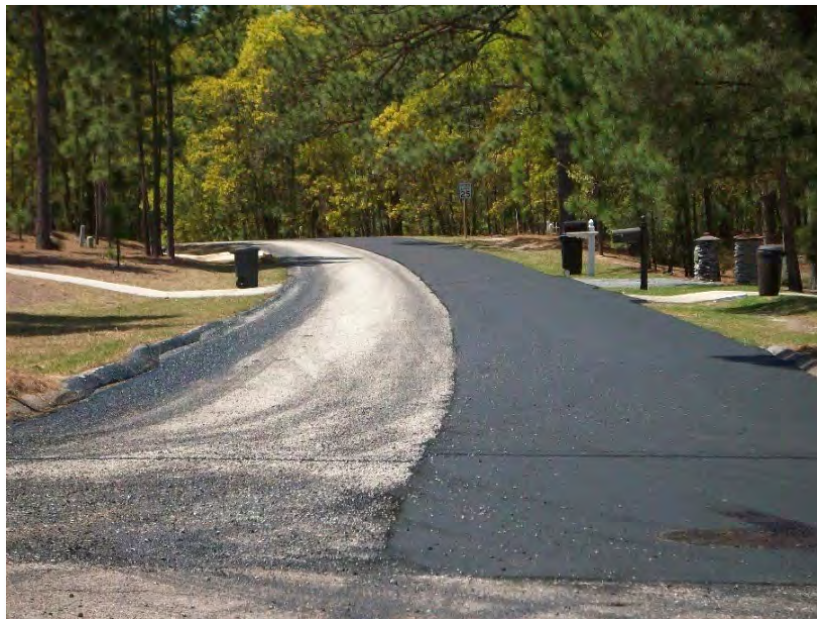
Departmental focus for FY 2024:

- Resurface and apply slurry seal to Village maintained streets, depending on resurfacing costs and mix of slurry seal versus resurfacing
- Fund \$1.5 million annually for resurfacing roads in the 5-year plan to improve the overall Pavement Condition Rating and the % of roadways with a Pavement Condition rating of 85 or better
- Maintain a 15-25 year life cycle for the 107 miles of Village-owned streets

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Operating	\$ 1,130,492	\$ 1,472,975	\$ 1,472,975	\$ 1,500,100	1.8%
Expenditures Total	\$ 1,130,492	\$ 1,472,975	\$ 1,472,975	\$ 1,500,100	1.8%

Revenues by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Powell Bill Revenue	\$ 568,939	\$ 572,245	\$ 572,245	\$ 577,000	0.8%
Revenues Total	\$ 568,939	\$ 572,245	\$ 572,245	\$ 577,000	0.8%



Village Street Resurfacing



Department Profile

The Solid Waste Division of the Public Services Department furthers the mission of the Village of Pinehurst by preserving the community’s environment. The division operates under the direction of the Assistant Director of Public Services. There are ten members of the Solid Waste team, led by a Solid Waste Superintendent. This division provides nearly 9,000 households with weekly same-day automated pickup of garbage, recycling, and yard debris under the “One and Done” program.

Departmental focus for FY 2024:

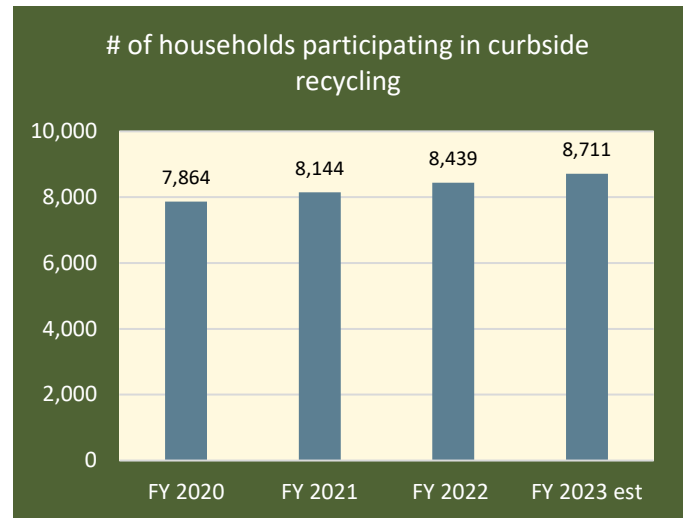
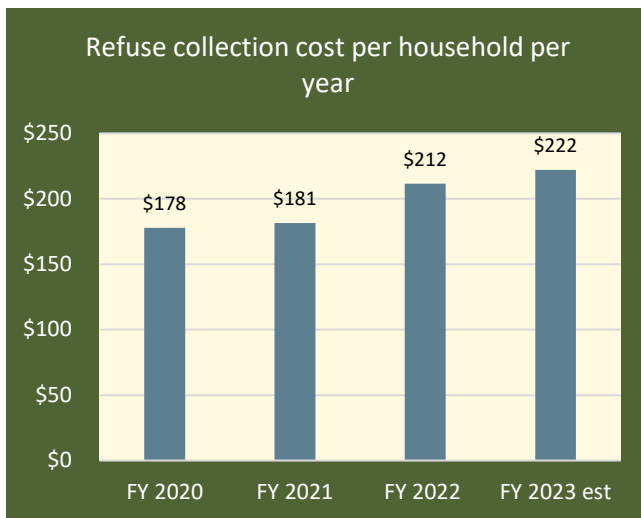
- Implement improvements that provide greater service delivery efficiency while minimizing return pickups
- Coordinate with Moore County and other municipalities on the annual Household Hazardous Waste event

Additional information about Solid Waste Division may be obtained by contacting Mike Apke, Public Services and Engineering Director, at 910.295.5021 or mapke@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 562,775	\$ 699,200	\$ 722,300	\$ 742,000	6.1%
Operating	1,338,986	1,415,992	1,371,692	1,604,020	13.3%
Capital	-	489,730	489,730	349,690	-28.6%
Expenditures Total	\$ 1,901,761	\$ 2,604,922	\$ 2,583,722	\$ 2,695,710	3.5%

Following the Trends



Measuring for Success

Department Goal: Provide efficient and effective weekly solid waste collection							
	FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.	
Strategic Goal: Preserve the environment	# of solid waste collection complaints per 1,000 collection points	0.97	0.79	●	0.70	0.75	0.65
	% of MyVOP solid waste requests completed on time	99%	99%	●	98%	98%	98%
	% of solid waste routes completed on schedule	100%	100%	●	100%	99%	99%
	% of safety checks on solid waste vehicles completed daily	100%	100%	●	100%	99%	99%
	% of time cart inventory levels remain above minimum stock threshold	85%	97%	●	97%	96%	96%
	Department Goal: Maintain a high level of recycling participation						
	% of households participating in curbside recycling	93%	95%	●	96%	96%	96%
	Total # of tons recycled per household (including collection by outside vendors)	0.12	0.18	N/A	0.16	0.16	0.16

Department Profile

The Planning Department furthers the mission of the Village of Pinehurst by promoting high-quality development and appearance within the community. The Planning and Inspections Director reports directly to the Village Manager and serves as a member of the senior leadership team. The Planning Department consists of a Planning Supervisor, a Sr. Planner, a Planner, two Planning and Zoning Specialists, a Code Compliance Specialist, and an Admin. Specialist. The department provides planning services for the Village as well as its extra territorial jurisdiction (ETJ).

Additional information about the Planning Department may be obtained by contacting Alex Cameron, Planning and Inspections Director, at 910.295.8664 or acameron@vopnc.org.

Departmental focus for FY 2024:

- Implement strategies from the 2019 Comprehensive Plan
- Develop a consolidated multi-modal transportation plan
- Continue the comprehensive update to the Pinehurst Development Ordinance
- Conduct timely plan review of residential and non-residential development submittals
- Conduct routine patrols of neighborhoods to identify code violations and promptly investigating code violations to ensure timely resolution

Budget Summary

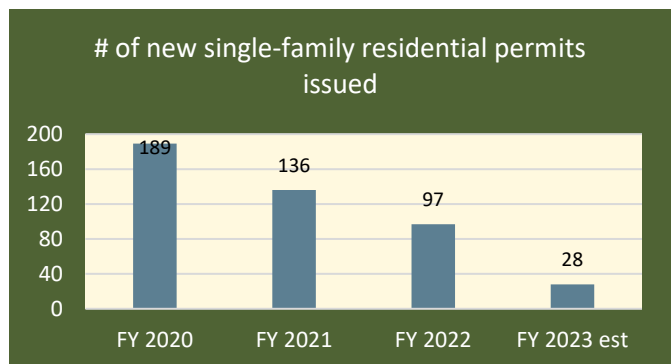
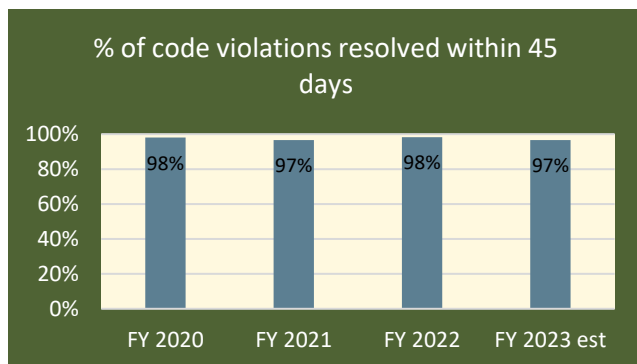
Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 607,713	\$ 807,950	\$ 761,600	\$ 860,450	6.5%
Operating	231,387	450,470	439,270	395,240	-12.3%
Capital	767	9,820	9,820	28,600	191.2%
Expenditures Total	\$ 839,867	\$ 1,268,240	\$ 1,210,690	\$ 1,284,290	1.3%

Revenues by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Planning Permit Revenue	\$ 263,656	\$ 252,500	\$ 252,500	\$ 252,300	-0.1%
Revenues Total	\$ 263,656	\$ 252,500	\$ 252,500	\$ 252,300	-0.1%

FY 2024-2028 Initiative Action Plans

Initiative Action Plans	FY	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<i>Comprehensive update to the Pinehurst Development Ordinance</i>	FY 2024	\$0	\$0	\$0	\$0	\$0
<i>Develop and implement a Consolidated Multi-Modal Transportation Plan</i>	FY 2024-2028	\$100,000	\$0	\$0	\$0	\$0

Following the Trends



Measuring for Success

Strategic Goal: Promote high quality neighborhoods, development, and appearance	Department Goal: Increase compliance with Village codes and ordinances						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of code violations investigated within 2 business days	83%	87%	●	87%	90%	90%
	Median # of days to close a code violation	14	15	●	15	15	15
	% of neighborhoods patrolled according to schedule for code violations	102%	100%	●	100%	100%	100%
	Department Goal: Process residential permit applications in a timely manner						
	% of single family residential new construction and addition/alteration plans initially reviewed within 14 days	79%	80%	●	99%	100%	100%
	Average # of days to issue single family permits for new construction and additions/alterations	11	12	●	10	10	10
	% of Certificates of Appropriateness issued by staff within 7 days	89%	72%	●	93%	95%	95%
	Department Goal: Process non-residential permit applications in a timely manner						
	% of time non-residential development applicant receives initial staff comments within 21 days	73%	55%	●	55%	70%	70%
	Department Goal: Provide high quality customer service						
	% of residents satisfied with P&I services	89%	98%	●	94%	90%	90%
Strategic Goal: Maintain a healthy financial condition	Department Goal: Recover the costs of development services						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
% of planning operating costs recovered through planning fees	33%	31%	●	26%	27%	21%	

Department Profile

The Community Development Division furthers the mission of the Village of Pinehurst by promoting a thriving business community and high-quality development and appearance for our residents, businesses, and visitors. The division is co-managed by the Assistant Village Manager of Operations and the Assistant Village Manager of Administration. This division oversees marketing, economic development, and the Village’s Welcome Center.

Departmental focus for FY 2024:

- Promote and market the Village as a place to visit, live, and do business with print and digital advertising
- Operate the George P. Lane Welcome Center to serve residents and visitors

Additional information about the Community Development Division may be obtained by contacting Doug Willardson, Assistant Village Manager of Administration, at 910.295.1900 or dwillardson@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	0.0%
Operating	127,759	151,260	144,360	165,720	9.6%
Capital	-	216,460	216,460	1,100	-99.5%
Expenditures Total	\$ 127,759	\$ 367,720	\$ 360,820	\$ 166,820	-54.6%

Revenues by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Logo Merchandise Sales	\$ 32,687	\$ 35,000	\$ 30,000	\$ 45,000	28.6%
Revenues Total	\$ 32,687	\$ 35,000	\$ 30,000	\$ 45,000	28.6%

Measuring for Success

Department Goal: Provide a welcoming environment for Pinehurst visitors							
Strategic Goal: Promote a thriving business community		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	# of Welcome Center visitors served	3,944	6,661	●	5,100	6,500	5,000
	% of Welcome Center shifts	99%	100%	●	99%	99%	99%
Department Goal: Provide a welcoming environment for Pinehurst visitors							
1 st floor occupancy rate in the Village Center	92%	94%	●	94%	90%	90%	



Department Profile

Recreation, a division within the Parks and Recreation Department, furthers the mission of the Village of Pinehurst by promoting active living and cultural opportunities for the community. The Parks and Recreation Director reports directly to the Assistant Village Manager of Operations and is a member of the senior leadership team. The Director provides management support to all divisions in the department—Recreation, Harness Track, Fair Barn, Buildings & Grounds. The Recreation Division includes a Rec. Superintendent, Prog. Coord., Admin. Asst., Special Event Coord., and part-time Event Asst., plus a full-time Athletics Coord. and part-time Rec. Asst. planned in the FY 2024 budget, who, in conjunction with the Director, are charged with providing the residents of Pinehurst with a variety of recreational pursuits that enrich the quality of the lives of the participants.

Departmental focus for FY 2024:

- Enhance athletic and rec. programming
- Retrofit current athletic fields with synthetic turf
- Maximize use of the Community Center
- Utilize feedback from participant surveys to improve programs and facilities

Additional information about the Recreation Division may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.2817 or mwagner@vopnc.org.

Budget Summary

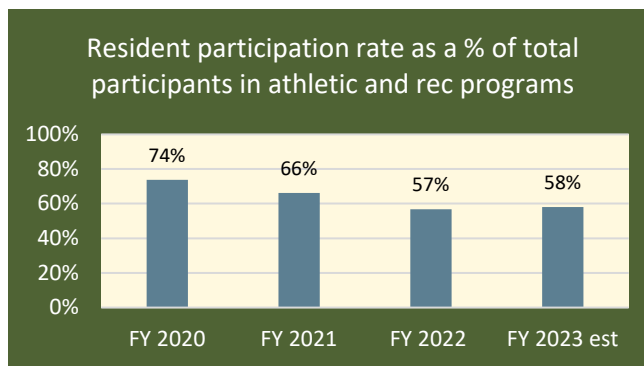
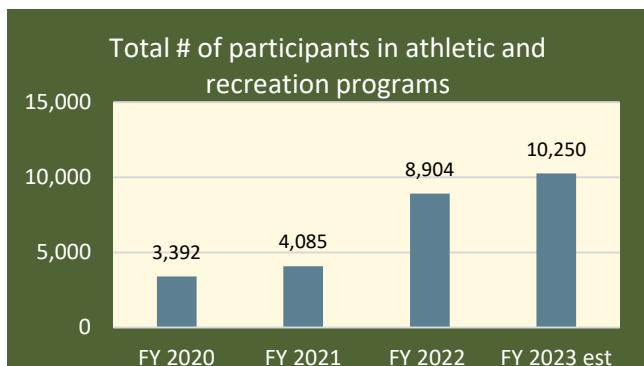
Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 585,079	\$ 697,150	\$ 650,400	\$ 820,050	17.6%
Operating	1,204,993	1,458,246	1,450,150	1,511,030	3.6%
Capital	412,197	1,500,728	1,500,728	108,473	-92.8%
Expenditures Total	\$ 2,202,269	\$ 3,656,124	\$ 3,601,278	\$ 2,439,553	-33.3%

Revenues by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Athletic Programs	\$ 56,033	\$ 65,000	\$ 65,000	\$ 70,000	7.7%
Recreation Fees	150,325	155,000	165,000	167,500	8.1%
Facility Rentals	52,116	50,000	43,000	50,000	0.0%
Revenues Total	\$ 258,474	\$ 270,000	\$ 273,000	\$ 287,500	6.5%

FY 2024-2028 Initiative Action Plans

Initiative Action Plans	FY	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<i>Retrofit current athletic fields with synthetic turf</i>	FY 2024-2028	(\$27,700)	\$661,600	(\$49,400)	(\$50,700)	\$947,900

Following the Trends



Measuring for Success

Department Goal: Provide adequate parks and recreation facilities						
	FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
# of developed acres of parks maintained per FTE	28.67	28.67	●	28.67	28.67	28.67
% of residents satisfied with the quality of Village parks	99%	99%	●	99%	95%	95%
Resident satisfaction with the adequacy of parks and recreation facilities (Village parks offered that meet my/my family's needs)	N/A	N/A		95%	95%	95%
Department Goal: Provide a variety of athletic and recreation programs						
% of athletic and recreation programs offered that met or exceeded minimum registration requirements	91%	94%	●	89%	90%	90%
Resident recreation program participants as a % of population	9%	9%	●	9%	8%	8%
% of residents satisfied with the quality of youth recreation programs	95%	96%	●	95%	95%	95%
% of residents satisfied with the quality of adult recreation programs	93%	94%	●	94%	95%	95%
% of recreation participants satisfied with athletic and recreation programs	97%	97%	●	95%	95%	95%
Department Goal: Provide cultural arts events						
# of Village sponsored cultural arts events	56	83	●	75	75	75
% of residents satisfied with Village sponsored cultural arts events	90%	90%	●	97%	95%	95%

Strategic Goal: Promote active living and cultural opportunities

Strategic Goal: Maintain a healthy financial condition	Department Goal: Recover program and event costs through fees						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of direct costs recovered through recreation fees	126%	128%	●	125%	95%	95%
\$ of revenues obtained for Village sponsored cultural arts events	\$5,923	\$22,025	●	\$20,000	\$21,000	\$24,000	



Pinehurst Community Center



Department Profile

The Library and Archives Department furthers the mission of the Village of Pinehurst by promoting active living and cultural opportunities for the community. The Library and Archives Director reports directly to the Assistant Village Manager of Operations and serves as a member of the senior leadership team. The department consists of a Director, Asst. Director, full-time Associate, and four part-time Associates.

Additional information about the Library and Archives Department may be obtained by contacting Audrey Moriarty, Library and Archives Director, at 910.295.6022 or amoriarty@vopnc.org.

Departmental focus for FY 2024:

- Manage the collection of over 23,000 items including fiction, non-fiction, audio books, e-books, reference, large print, and children’s books
- Provide children’s programs throughout the year
- Provide access to the Tufts Archives, the Pinehurst History Museum
- Evaluate adult programming for future opportunities

Budget Summary

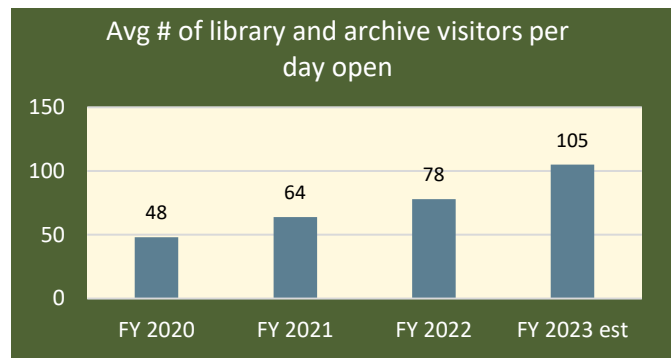
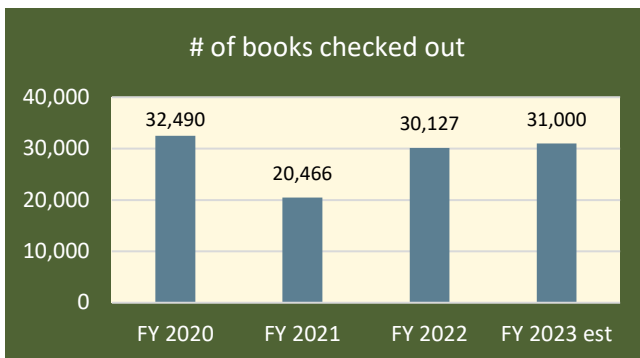
Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 66,316	\$ 334,650	\$ 327,300	\$ 371,950	11.1%
Operating	228,066	277,242	266,342	252,310	-9.0%
Capital	58,020	1,003,375	1,003,375	11,175	-98.9%
Expenditures Total	\$ 352,402	\$ 1,615,267	\$ 1,597,017	\$ 635,435	-60.7%

Revenues by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Library State Aid	\$ 1,243	\$ 7,500	\$ 7,500	\$ 7,500	0.0%
Library Donations	290	9,222	9,222	1,000	-89.2%
Library Endowment Income	-	106,000	106,000	105,000	-0.9%
Miscellaneous Library Revenues	2,734	19,200	19,200	25,200	31.3%
Revenues Total	\$ 4,267	\$ 141,922	\$ 141,922	\$ 138,700	-2.3%

FY 2024-2028 Initiative Action Plans

Initiative Action Plans	FY	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<i>Expand and renovate Given Library/Tufts Archives</i>	FY 2024-2028	\$0	\$4,600,000	\$397,800	\$410,600	\$423,400

Following the Trends



Measuring for Success

Department Goal: Ensure public availability and access to library and archive materials						
	FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?¹	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
Average # of books checked out per day open	76	105		110	125	166
Average # of e-books checked out per day open	78	75		76	70	77
Total # of requests for archive materials	481	332		580	600	600
Department Goal: Provide public library and archives programs and special events that meet public need						
# of youth library program sessions	11	61		72	72	80
# of adult library program sessions	0	13		19	6	12
# of youth library special events	0	2		7	4	5
Total # of program and special participants	N/A	N/A		1,320	1,395	1,750
Department Goal: Provide responsive related services						
Time spent fulfilling customer request for archives research	N/A	12:00		15:00	30:00	30:00
<p>Note: Library and Archives Services joined the Village of Pinehurst in April 2022. The above data is prior to when the Given Memorial Library and Tufts Archives joined the Village of Pinehurst. Goals associated with these key performance indicators will begin in the FY 2024 Strategic Operating Plan, where the Village will report on achieving goals for FY 2023.</p>						

Department Profile

The Harness Track Division of the Parks and Recreation Department furthers the mission of the Village of Pinehurst by promoting active living and cultural opportunities while ensuring it maintains a healthy financial condition. The division reports to the Parks and Recreation Director. The Harness Track Division includes one Track Supervisor, three full-time Track Specialists, and part-time seasonal personnel responsible for the operations and maintenance of the Harness Track facility. The Harness Track, established in 1915, is listed in the National Register of Historic Places. The Village rents the Harness Track horse training facility to show promoters, trainers, and other outside groups.

Departmental focus for FY 2024:

- Continue maintaining three sand-clay training tracks (1/2-mile track; 5/8-mile track; 1-mile track) totaling 2.25 miles on 111 acres at a high level
- Increase marketing efforts of the Harness Track to maximize rentals of stalls and utilization of the facility for events
- Maintain a Track Restaurant and Tack Shop

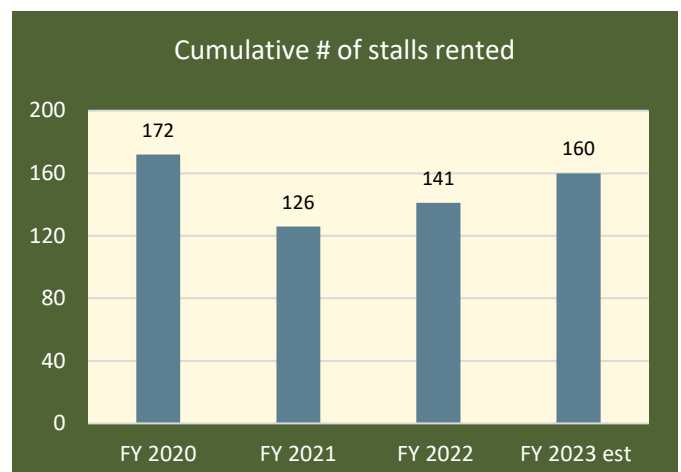
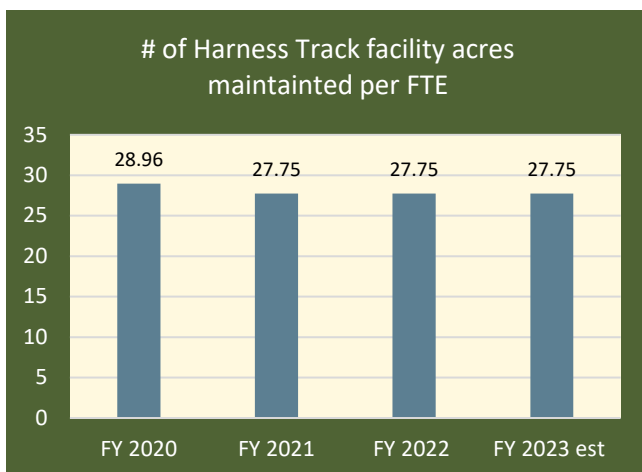
Additional information about the Harness Track Division of the Parks and Recreation Department may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.2817 or mwagner@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 238,105	\$ 266,200	\$ 259,700	\$ 279,400	5.0%
Operating	316,867	369,060	366,565	359,540	-2.6%
Capital	102,345	227,256	227,256	231,013	1.7%
Expenditures Total	\$ 657,317	\$ 862,516	\$ 853,521	\$ 869,953	0.9%

Revenues by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Stall Rental	\$ 149,202	\$ 174,000	\$ 174,000	\$ 195,000	12.1%
Tack Shop Rental	5,519	5,500	5,500	5,200	-5.5%
Restaurant Rent	7,242	7,200	7,200	7,700	6.9%
Shows/Events Revenue	44,968	25,000	25,000	22,000	-12.0%
Revenues Total	\$ 206,931	\$ 211,700	\$ 211,700	\$ 229,900	8.6%

Following the Trends



Measuring for Success

Strategic Goal: Professionally Manage a High-Performing Organization	Department Goal: Provide a high quality equestrian training and event venue						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of Harness Track building renovations completed on schedule	100%	100%	●	100%	100%	100%
% of customers satisfied with the Harness Track facility	100%	80%	●	95%	95%	95%	

Strategic Goal: Maintain a healthy financial condition	Department Goal: Maximize utilization of the Harness Track						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of capacity reached for stall rentals ¹	48%	54%	●	66%	80%	94%
	# of days the Harness Track is rented for equestrian events	31	42	●	33	37	45
	# of days the Harness Track is rented for non-equestrian events	217	206	●	159	130	100
	% of days the Harness Track is rented	68%	68%	●	53%	46%	41%
% of Harness Track operating expenditures recovered with fees	40%	37%	●	40%	47%	47%	

Notes: ¹ Each year, VOP strives to reach maximum capacity of harness track stalls that are rented to standardbred trainers.

Department Profile

The Fair Barn, a Division of the Parks and Recreation Department, furthers the mission of the Village of Pinehurst by promoting active living and cultural opportunities while ensuring it maintains a healthy financial condition. The division is under the direction of the Parks and Recreation Director. The Fair Barn Division is comprised of the Fair Barn Coordinator, several part-time assistants, and part-time laborers who provide the labor, supplies, expertise, and management for the operations and maintenance of the Fair Barn. The Fair Barn is a renovated 6,400 square foot facility located at the Harness Track that was designed as an exhibition hall for the Sandhills Fair in 1917. The Village rents the Fair Barn to outside groups as a venue for weddings and other large events that can accommodate up to 600 people.

Departmental focus for FY 2024:

- Promote the use of enhanced outdoor space to provide additional entertainment space for renters
- Maintain 6,400 square feet of rental space at a high level
- Promote and manage the facility to maximize its use

Additional information about the Fair Barn Division of the Parks and Recreation Department may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.2817 or mwagner@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 117,526	\$ 139,200	\$ 137,800	\$ 148,800	6.9%
Operating	180,275	259,740	247,440	272,280	4.8%
Capital	-	30,480	30,480	61,445	101.6%
Expenditures Total	\$ 297,801	\$ 429,420	\$ 415,720	\$ 482,525	12.4%

Revenues by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Fair Barn Rental	\$ 254,477	\$ 250,000	\$ 250,000	\$ 255,000	2.0%
Shows/Events Revenue	5,305	5,000	10,000	7,500	50.0%
Revenues Total	\$ 259,782	\$ 255,000	\$ 260,000	\$ 262,500	2.9%

Measuring for Success

Strategic Goal: Professionally Manage a High-Performing Organization	Department Goal: Provide a high quality event venue						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of customers satisfied with the Fair Barn facility	100%	100%	●	95%	95%	95%

Strategic Goal: Maintain a healthy financial condition	Department Goal: Maximize utilization of the Fair Barn						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	# of weekdays the Fair Barn is used	57	54	●	48	56	52
	# of weekend days the Fair Barn is used ¹	19	81	●	89	95	93
	Fair Barn weekday utilization rate	27%	26%	●	23%	27%	25%
	Fair Barn weekend utilization rate ¹	12%	52%	●	56%	60%	59%
	# of client leads for weekend rentals	620	604	●	700	640	640
Department Goal: Maximize profitability of the Fair Barn							
% of Fair Barn operating expenditures recovered with fees	32%	87%	●	95%	95%	95%	

Notes: ¹ Because the Fair Barn is such a popular event venue, weekends are typically booked well in advance and there are not a lot of opportunities to increase weekend utilization significantly. The FY24 number of days also accounts for the US Open Championship returning to Pinehurst.

Department Profile

The Buildings & Grounds Division, a division of the Parks and Recreation Department, furthers the mission of the Village of Pinehurst by ensuring the Village professionally manages a high-performing organization. The division operates under the direction of the Parks and Recreation Director. This division includes a Building & Grounds Superintendent, two Maintenance Technicians, and five Grounds Specialists that provide regular and preventative maintenance for all facilities owned by the Village as well as for selected Village-owned grounds and property. All expenditures of this department are charged back to other departments in the form of internal service charges.

Departmental focus for FY 2024:

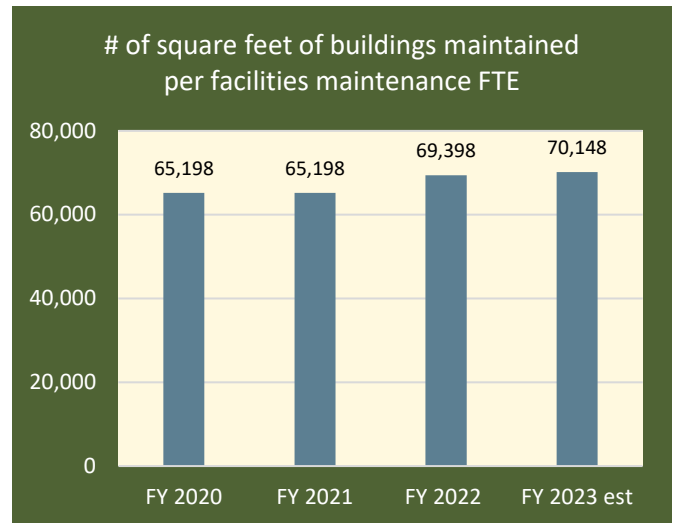
- Continue to respond to work order requests in a timely fashion and striving to reduce the number of days to close work orders
- Conduct quarterly inspections of buildings, playgrounds, and greenway trail bridges

Additional information about the Building & Grounds Division may be obtained by contacting Mark Wagner, Parks and Recreation Director, at 910.295.1900 or mwagner@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 497,188	\$ 573,900	\$ 558,500	\$ 625,700	9.0%
Operating	751,526	977,470	962,470	974,740	-0.3%
Capital	816,630	2,006,463	2,006,463	406,410	-79.7%
Expenditures Total	\$ 2,065,344	\$ 3,557,833	\$ 3,527,433	\$ 2,006,850	-43.6%

Following the Trends



Measuring for Success

Strategic Goal: Professionally Manage a High-Performing Organization	Department Goal: Respond promptly to B&G work order requests						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of B&G work order requests closed within 14 days	100%	100%	●	95%	95%	95%
	% of confirmed B&G work order requests that are a confirmed emergency	0%	0%	●	0%	2%	2%
	Average # of days to close B&G work orders (WCI SP4.3)	4.57	5.74	●	6.50	5.00	4.00
	% of employees satisfied with the quality of B&G work performed	100%	99%	●	96%	95%	95%
	Department Goal: Effectively conduct preventative maintenance on Village buildings and grounds						
	% of Village buildings inspected quarterly	100%	100%	●	100%	100%	100%
	% of playground inspections completed according to schedule	100%	96%	●	100%	100%	100%
	% of greenway/trail bridges inspected according to schedule	100%	100%	●	100%	100%	100%



Buildings and Grounds Employee

Department Profile

The Fleet Maintenance Department furthers the mission of the Village of Pinehurst by ensuring the Village maintains a high-performing fleet of vehicles and equipment. The Fleet Supervisor reports directly to the Assistant Village Manager of Operations. The Fleet Maintenance Department consists of the Supervisor and two Technicians who are responsible for providing regular and preventative maintenance for all vehicles and equipment operated by the Village. All expenditures of this department are charged back to other departments in the form of internal service charges.

Departmental focus for FY 2024:

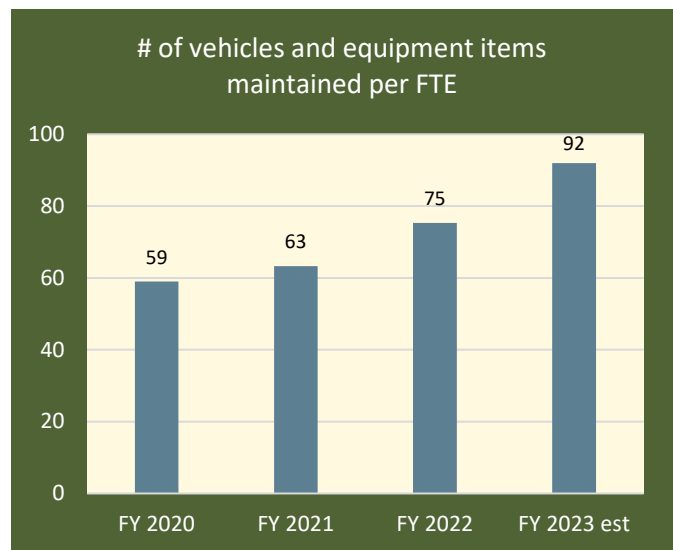
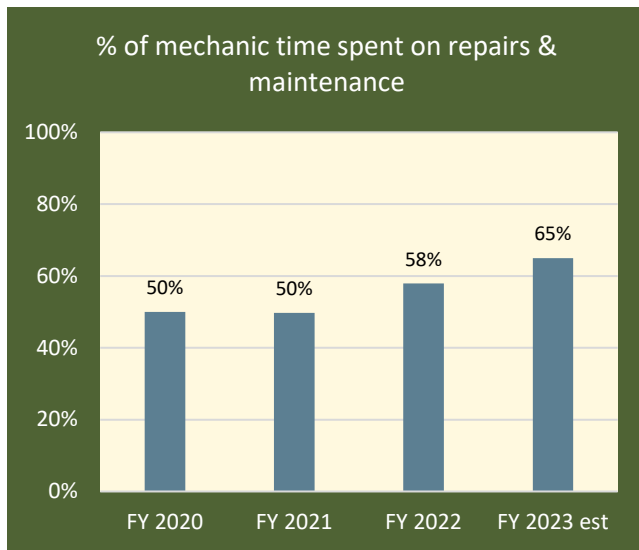
- Acquire new vehicles and equipment according to the Fleet Replacement Plan
- Respond promptly to fleet work order requests

Additional information about the Fleet Maintenance Department may be obtained by contacting Jeff Batton, Assistant Village Manager of Operations, at 910.295.1900 or jbatton@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 249,216	\$ 266,050	\$ 260,500	\$ 285,450	7.3%
Operating	617,686	617,130	613,130	639,450	3.6%
Capital	777,323	1,133,020	1,133,020	784,200	-30.8%
Expenditures Total	\$ 1,644,225	\$ 2,016,200	\$ 2,006,650	\$ 1,709,100	-15.2%

Following the Trends



Measuring for Success

Strategic Goal: Professionally Manage a High-Performing Organization	Department Goal: Respond promptly to fleet work order requests						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of fleet work orders completed within 2 days of receipt (SP4.7)	99%	99%	●	99%	98%	98%
	Department Goal: Effectively maintain Village vehicles and equipment to maximize availability						
	% of PMs completed on time	98%	92%	●	98%	97%	97%
	% of rolling stock available	99%	99%	●	99%	98%	98%
	% of employees satisfied that repairs are made correctly the first time	94%	92%	●	92%	92%	92%
Scheduled maintenance work orders as a % of total maintenance work orders	24%	29%	●	43%	31%	31%	



Vehicle Maintained by Fleet Maintenance Department

Department Profile

The Information Technology Department furthers the furthers the mission of the Village of Pinehurst by ensuring the Village professionally manages a high-performing organization. The Chief Information Officer (CIO) reports directly to the Assistant Village Manager of Administration and is a member of the senior leadership team. In addition to the CIO, the Information Technology Department (IT) includes a Network Administrator, IT Systems Specialist, Business Analyst, GIS Analyst, and IT Technician. All of these positions are responsible for the support, maintenance, and security of hardware, software, and network infrastructure. All expenditures of this department are charged back to other departments in the form of internal service charges.

Additional information about the Information Technology Department may be obtained by contacting Jason Whitaker, Chief Information Officer, at 910.295.1900 or jwhitaker@vopnc.org.

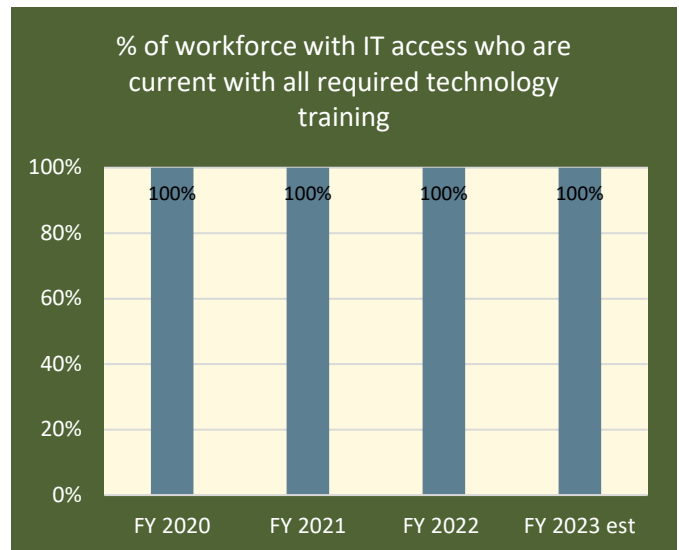
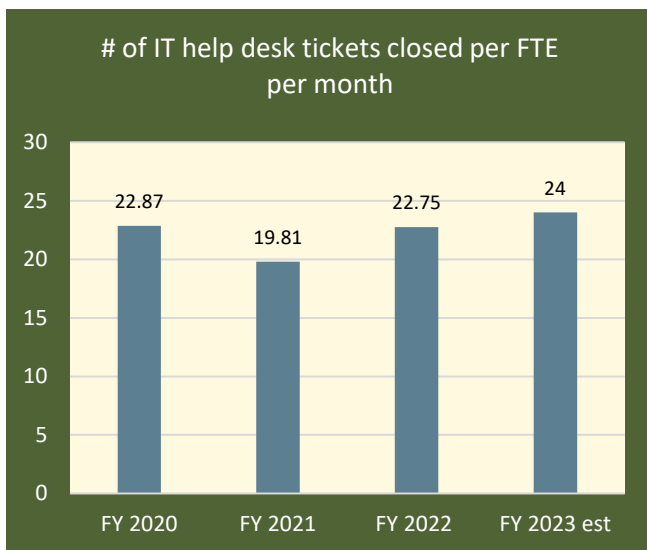
Departmental focus for FY 2024:

- Increase efforts to ensure a secure network with cybersecurity preventative measures
- Maintain more than 20 software programs and applications that support municipal services as well as the Village website, mobile app (MY VOP), database servers, email servers, Enterprise Resource Planning (ERP) system, and the Welcome Center and downtown kiosks
- Manage an extensive network infrastructure with multiple WAN connections and over 320 devices including computers, physical and virtual servers, Wi-Fi, printers, and other technology equipment
- Provide GIS services
- Respond promptly to IT work orders

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Salaries & Benefits	\$ 553,841	\$ 650,050	\$ 615,900	\$ 698,750	7.5%
Operating	637,905	879,174	864,174	886,700	0.9%
Capital	80,707	34,000	34,000	213,000	526.5%
Expenditures Total	\$ 1,272,453	\$ 1,563,224	\$ 1,514,074	\$ 1,798,450	15.0%

Following the Trends



Measuring for Success

Strategic Goal: Professionally Manage a High-Performing Organization	Department Goal: Provide high quality support to technology users						
		FY 2021 Actual	FY 2022 Actual	Did we achieve our goal?	FY 2023 Est.	FY 2024 Proj.	FY 2028 Proj.
	% of IT help desk tickets closed within 2 days	93%	90%	●	90%	92%	94%
	Average # of days to close IT help desk tickets	0.53	1.22	●	1.10	1.0	1.0
	% of employees satisfied with the quality of IT help desk services ¹	99%	98%	●	98%	98%	98%
	% of employees satisfied with the timeliness of IT help desk services ¹	99%	97%	●	97%	98%	98%
	Department Goal: Provide user access to a safe and secure network						
	% of computers with current antivirus protection	94%	96%	●	96%	92%	92%
	Department Goal: Conduct efficient backups and disaster recovery						
	% of time automatic backups are successful	99%	98%	●	98%	98%	98%
	Department Goal: Provide high availability of network resources						
	% of network uptime	100%	100%	●	99%	99%	99%
	% of Internet Service Provider (ISP) uptime	100%	100%	●	100%	99%	99%
	Average # of lost IT staff work hours due to viruses or malware per month	2.23	0.00	●	1.00	2.00	2.00
	Department Goal: Maintain the Village's technology infrastructure						
% of computers and servers that are 5 years old or less	99%	94%	●	93%	95%	95%	
Notes: ¹ Because leveraging technology is one of VOP's key strategic advantages, the IT Department strives to seek ways to utilize technology to improve the efficiency and effectiveness of Village services. Historically, IT staff have received very high satisfaction ratings from Village employees for the quality and timeliness of IT help desk services.							

Department Profile

As a means to finance long-term capital purchases and projects, the Village of Pinehurst utilizes long-term debt. While simultaneously benefiting from its use, the Village has traditionally maintained a conservative position regarding the use of debt. Because of its importance to the Village’s financial solvency, debt is regulated not only by North Carolina statutes, but also by Council policy. See the *SOP Guide* section for the Debt Guidelines. For information on anticipated debt, please refer to the *Capital Improvement Plan* section.

The Village has entered into routine multi-year agreements to lease certain office equipment, such as copiers. The debt service expenditures budgeted in FY 2024 represent the annual principal and interest payments on the existing equipment leases and new lease agreements expected to be executed effective July 1, 2023. The Village does not anticipate issuing any new debt in FY 2024.

As the Village has not issued any General Obligation Bonds, we have not been rated by a national rating agency such as Moody’s Investment Service or Standard and Poor’s.

Additional information about Debt Service expenditures may be obtained by contacting Dana Van Nostrand, CPA, Financial Services Director, at 910.295.1900 or dvannostrand@vopnc.org.

Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Principal	\$ 11,201	\$ 12,200	\$ 12,200	\$ 18,500	51.6%
Interest	142	300	300	600	100.0%
Expenditures Total	\$ 11,343	\$ 12,500	\$ 12,500	\$ 19,100	52.8%

The chart below indicates the total debt service payments due under the terms of the Village’s equipment lease financing agreements over the next five-year period:

Description	Fiscal Year				
	2024	2025	2026	2027	2028
Debt Service Payments on Equipment Lease Financing Agreements					
Office Equipment	\$ 19,100	\$ 12,400	\$ 8,850	\$ -	\$ -
Leases of twelve (12) copiers and one (1) postage meter Three year agreements with various start and end dates ranging from 7/1/2021 through 6/30/2026. Quarterly fixed payments with interest rates ranging from 0.727% to 2.623%.					
Total Debt Service	\$ 19,100	\$ 12,400	\$ 8,850	\$ -	\$ -

The charts below indicate the total principal and interest due under the terms of the Village’s equipment lease financing agreements until maturity by project and by fiscal year:

Project	FY 2024		FY 2025		FY 2026	
	Principal	Interest	Principal	Interest	Principal	Interest
Equipment Leases	\$ 18,500	\$ 600	\$ 12,000	\$ 400	\$ 8,700	\$ 150
Totals	\$ 18,500	\$ 600	\$ 12,000	\$ 400	\$ 8,700	\$ 150

Total Balance by Project			
Project	Principal	Interest	Total
Equipment Leases	\$ 39,200	\$ 1,150	\$ 40,350
Totals	\$ 39,200	\$ 1,150	\$ 40,350

Total by Fiscal Year(s)			
Fiscal Year(s)	Principal	Interest	Total
FY 2024	\$ 18,500	\$ 600	\$ 19,100
FY 2025	12,000	400	12,400
FY 2026	8,700	150	8,850
FY 2025	-	-	-
FY 2026-2030	-	-	-
FY 2031-2035	-	-	-
FY 2036-2039	-	-	-
Totals	\$ 39,200	\$ 1,150	\$ 40,350

The Village is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the Village may have outstanding to 8% of the assessed value of the property subject to taxation. The Village’s net debt as a percentage of assessed valuation at June 30, 2022 is 0% compared to the legal debt limit of 8%.

Computation of Legal Debt Limit

Net Assessed Value - June 30, 2022	\$ 3,891,900,937
	8.0%
Debt Limit - Eight Percent (8.0%) of Assessed Value	\$ 311,352,075
Gross Debt:	
Bonded Debt	-
Authorized and Unissued Bonds	-
Installment Purchase Agreements	-
Total Gross Debt:	-
Less: Statutory Deductions	-
Total Amount of Debt Applicable to Debt Limit (Net Debt)	-
Legal Debt Margin	\$ 311,352,075

Department Profile

Other financing uses represent transfers out of the General Fund to other funds. The budget for FY 2024 includes a transfer out of the General Fund to the Public Services Relocation Capital Project Fund for the site plan.

Additional information about other financing uses may be obtained by contacting Dana Van Nostrand, CPA, Financial Services Director, at 910.295.1900 or dvannostrand@vopnc.org.

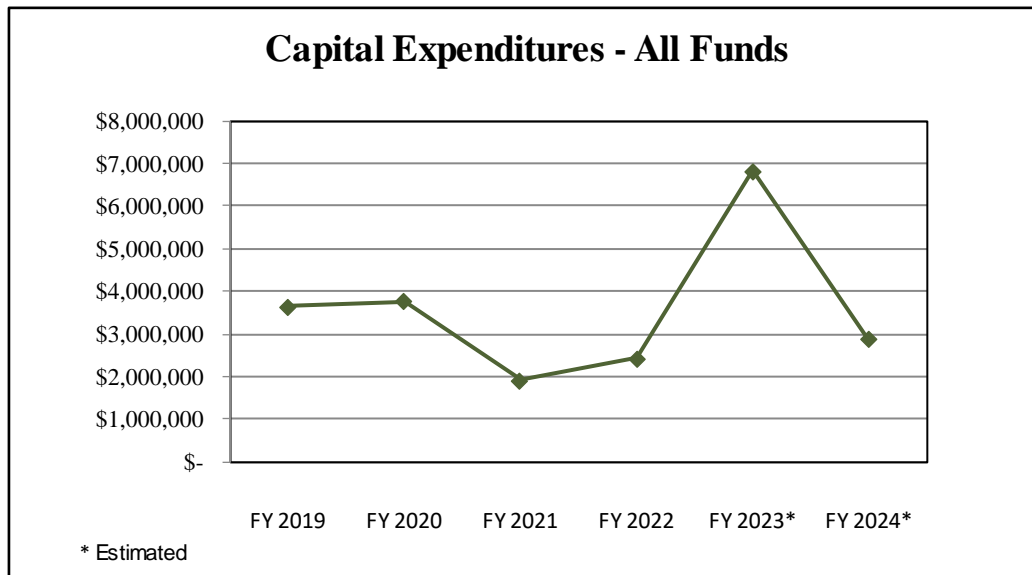
Budget Summary

Expenditures by Type	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Budgeted	Percent Change
Operating	\$ 400,000	\$ -	\$ -	\$ 80,000	0.0%
Expenditures Total	\$ 400,000	\$ -	\$ -	\$ 80,000	0.0%



Capital expenditures are appropriated within each fund, typically in the General Fund and capital project funds, when applicable. This section is provided to give the reader a summary of all capital expenditures and to provide trend data related to capital expenditures.

The Village is committed to protecting and maintaining its capital investments. The chart below illustrates the historical capital expenditure levels by the Village.



Increases FY 2019 and FY 2020 included construction costs for the Cannon Park Community Center. The decrease in FY 2021 is related to a fire engine that was ordered but not received by year-end and several other significant infrastructure projects that were underway but not complete. Included in FY 2022 are costs for a fire engine. In FY 2023, costs are included for unspecified initial building improvements at the library and installation of synthetic turf on an athletic field at Cannon Park. FY 2024 has approximately 47% less in budgeted capital expenditures than FY 2023 due to the significant items in FY 2023 for the library and synthetic turf.

Summary

Capital expenditures are typically accounted in either the General Fund or capital project funds. In the General Fund, appropriations are made on an annual basis. These capital outlays are included in the *General Fund* section by department. In the capital project funds, a project ordinance is adopted for a multi-year period and remains in effect until the project is completed. For FY 2024, the Village has one

capital project fund and has plans to create two additional capital project funds within the five-year capital improvement plan. The following section highlights capital expenditures in the General Fund and capital project funds.

General Fund Capital Expenditures

The schedule below and continuing on the following pages details the specific capital items funded in the FY 2024 Budget. In addition to routine vehicle and equipment replacements, the Village intends to make storm drainage improvements; make streetscape improvements; build pedestrian facilities; restore historical pathways; and implement a Village-wide imaging system. Please refer to the *General Fund* section for additional information on these items.

General Fund Capital Items	Budget Department/Division	FY 2024 Funded Amount
Public Safety		
SCBA Air Compressor	Fire	\$ 60,000
Opticom - Emergency Response Traffic Control	Fire	15,000
Thermal Imaging Camera	Fire	15,400
Copier Right-to-Use Lease Asset	Fire	5,900
Dispatch Radios	Police	160,000
Light Towers	Police	36,000
Live Scan	Police	16,000
Copier Right-to-Use Lease Asset	Police	4,800
Total Public Safety		313,100
Transportation		
Copier Right-to-Use Lease Asset	Public Services	4,800
Restoration of Historical Pathways	Streets & Grounds	50,000
Pedestrian Facilities	Streets & Grounds	460,000
Streetscape Improvements	Streets & Grounds	200,000
Stormwater Drainage Projects	Streets & Grounds	430,000
Total Transportation		1,144,800
Cultural & Recreation		
Projector	Fair Barn	8,000
Downtown Christmas Tree	Recreation	30,000
Fiber to Rassie Wicker and Cannon Parks	Recreation	50,000
Copier Right-to-Use Lease Asset	Recreation	4,800
Total Cultural & Recreation		92,800
Economic & Physical Development		
Plotter/Scanner	Planning	15,000
Copier Right-to-Use Lease Asset	Planning	4,800
Total Economic & Physical Development		19,800
Environmental Protection		
Routeware	Solid Waste	30,000
Total Environmental Protection		30,000

General Fund Capital Expenditures (continued)

General Fund Capital Items	Budget Department/Division	FY 2024 Funded Amount
Buildings & Grounds Maintenance		
Elevator Upgrades	Administration	40,000
Dimmer Panel Replacement	Fair Barn	38,000
Storage Building Electrical Installation	Fire	6,000
Public Restrooms	Harness Track	10,000
Stormwater Drainage Projects	Harness Track	15,000
Recreational Vehicle Hookup	Harness Track	15,000
Waste Containment Bins	Harness Track	36,000
Office Renovations	Harness Track	40,000
Grooms Quarters Improvements	Harness Track	90,000
Replace HVAC	Police	22,000
Total Buildings & Grounds Maintenance		312,000
Information Technology		
Village Wide Imaging System	Information Technology	110,000
Total Information Technology		110,000
Fleet Maintenance		
Ford F150	Buildings & Grounds	\$ 30,000
Ventrac Mower	Buildings & Grounds	40,000
Mule 4 X 4	Buildings & Grounds	20,000
Zero Turn Mower	Harness Track	13,000
Patrol SUV	Police	61,000
Patrol SUV	Police	61,000
Patrol SUV	Police	61,000
Patrol SUV	Police	61,000
Freightliner Garbage Truck	Solid Waste	255,000
Chevy 1500 With Slide In Tipster Bed	Solid Waste	60,000
Equipment Trailer	Streets & Grounds	10,000
Chevy 1 Ton Dump Truck	Streets & Grounds	75,000
Ford F150	Streets & Grounds	35,000
Total Fleet Maintenance		782,000
General Fund Total		\$ 2,804,500
% of Expenditures		10.4%

See the *Capital Project Funds* section for details on the projects in the Village’s Five-Year Capital Improvement Plan that are not included in the annual General Fund budget.



CAPITAL PROJECT FUNDS SUMMARY



Description

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Capital projects are approved through a separate Capital Project Ordinance as they usually span over more than one fiscal year. This section provides information regarding the major on-going or upcoming capital projects for the Village of Pinehurst, the revenues to date, the expenditures to date, a brief description of the project, as well as the anticipated impact of the project on the operating budget.

The Village of Pinehurst adopted one capital project fund for the library expansion and plans to adopt capital project funds for two additional projects. These project funds are detailed later in this section and include:

- ❖ Library Expansion Capital Project Fund
- ❖ Public Services Relocation Capital Project Fund
- ❖ Fire Station 93 Capital Project Fund

Summary

The Village plans to construct a new building for the Given Memorial Library and renovate the existing building for the Tufts Archives to increase the amount of space for library programming and to expand the collection. This expansion is based on the needs Pinehurst residents expressed for expanded or enhanced library services during a recent Library Needs Assessment. Design for the library expansion project began in FY 2022 and will be completed in early calendar year 2024. Construction of the new facility and renovation of the existing building will commence in FY 2025 after the 2024 U.S. Open Championship.

The Village intends to relocate the public services complex to allow for the redevelopment of Village Place. This project will advance the strategic objective to support the business community and address the opportunity to reinvigorate the Village center. The selection of the site for the new public services complex and completion of the site plan is expected to be done in FY 2024. Design is planned for FY 2025 with construction commencing in FY 2026.

The Village identified the need for an additional fire station to improve service delivery. The third fire station (Fire Station 93) is planned to have design commence in FY 2028 with construction beginning thereafter.

Budget Highlights

The Library Expansion Capital Project Fund accounts for the cost of design and construction of a new building for the Given Memorial Library and renovating the existing building to expand the Tufts Archives. The \$5,000,500 project will be funded by \$4,980,500 in cash from the General Fund and \$20,000 in estimated investment income. Transfers from the General Fund in the amount of \$400,000 and \$1,000,000 occurred in FY 2022 and FY 2023, respectively, and the remaining \$3,580,500 transfer from the General Fund is planned in FY 2025.

The project began in FY 2022. Design and engineering costs of \$400,000 were funded in FY 2022 with construction planned for FY 2025 following the 2024 U.S. Open Championship. A capital project budget ordinance for the \$400,500 of design and engineering costs was adopted by the Village Council in FY 2022. An amendment to that capital project budget ordinance as outlined below will be adopted by the Village Council in FY 2024.

Library Expansion Expenditures and Revenues

Expenditures by Type	Projected Budget	Amount Spent to Date	Remaining Balance
Design/Engineering Costs	\$ 400,500	\$ 8,500	\$ 392,000
Construction Costs	4,600,000	-	4,600,000
Total Expenditures	\$ 5,000,500	\$ 8,500	\$ 4,992,000
Revenues by Type	Projected Budget	Amount Received to Date	Balance Remaining
Transfer from General Fund	\$ 4,980,500	\$ 400,000	\$ 4,580,500
Investment Income	20,000	10,030	9,970
Total Revenues	\$ 5,000,500	\$ 410,030	\$ 4,590,470

Impact on Operating Budget

There will be no impact on the General Fund operating budget for the FY 2024 fiscal year. When the construction is complete in FY 2025, operating costs in the General Fund will increase to support salaries and benefits, utilities, supplies, and other programming costs. These expenditure changes have been incorporated into the Village's capital improvement plan (CIP) and are detailed in that section. They are also reflected in the five-year financial forecast.

Budget Highlights

The Public Services Relocation Capital Project Fund will account for the costs incurred in the design and construction of a new public services complex. The relocation of the public services complex will allow for the redevelopment of Village Place. The \$6,480,500 project will be funded by \$80,000 in cash from the General Fund in FY 2024, \$400,000 from the General Fund in FY 2025, and \$3,000,000 from the General Fund in FY 2026. The Village plans to issue debt to fund the other \$3,000,000 in construction costs in FY 2026 and estimates \$500 in investment income. Please refer to the the *Capital Improvement Plan* section for information on anticipated debt.

The project will begin in FY 2024 and there have been no expenditures to date. Design and engineering costs of \$80,000 are anticipated in FY 2024 and \$400,000 in FY 2025 with construction of the facility planned for FY 2026. A capital project budget ordinance as outlined below will be adopted by the Village Council in FY 2024.

Public Services Relocation Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Design/Engineering Costs	\$ 480,500	\$ -	\$ 480,500
Construction Costs	6,000,000	-	6,000,000
Total Expenditures	\$ 6,480,500	\$ -	\$ 6,480,500

Revenues by Type	Projected Budget	Amount Received to Date	Balance Remaining
Transfer from General Fund	\$ 3,480,000	\$ -	\$ 3,480,000
Debt Proceeds	3,000,000	-	3,000,000
Investment Income	500	-	500
Total Revenues	\$ 6,480,500	\$ -	\$ 6,480,500

Impact on Operating Budget

There will be no impact on the General Fund operating budget for FY 2024. Once the facility is completed in FY 2026, the land will be prepared for sale in FY 2028. The revenue from the sale of the property has been incorporated into the Village’s five-year financial forecast. Debt service is expected to begin in FY2026. The Village does not anticipate changes to any other operating costs as a result of this project.

Budget Highlights

The Fire Station 93 Capital Project Fund will account for the costs incurred in the design of a new fire station. A third fire station will be needed to improve service delivery as the Village grows. The \$400,500 project will be funded by \$400,000 in debt proceeds and \$500 in estimated investment income. Please refer to the *Capital Improvement Plan* section for information on anticipated debt.

The project will begin in FY 2028 and there have been no expenditures to date. Design and engineering costs of \$400,000 are anticipated in FY 2028 with construction of the facility planned thereafter. A capital project budget ordinance as outlined below will be adopted by the Village Council in FY 2028.

Fire Station 93 Expenditures and Revenues

Expenditures by Type	Project Budget	Amount Spent to Date	Balance Remaining
Design/Engineering Costs	\$ 400,500	\$ -	\$ 400,500
Construction Costs	-	-	-
Total Expenditures	\$ 400,500	\$ -	\$ 400,500

Revenues by Type	Projected Budget	Amount Received to Date	Balance Remaining
Transfer from General Fund	\$ -	\$ -	\$ -
Debt Proceeds	400,000	-	400,000
Investment Income	500	-	500
Total Revenues	\$ 400,500	\$ -	\$ 400,500

Impact on Operating Budget

There will be no impact on the General Fund operating budget for the FY 2024 fiscal year. When the construction is complete beyond FY 2028, operating costs in the General Fund will increase to support salaries and benefits, utilities, equipment, supplies, and other operating costs. These expenditure changes will be incorporated into the Village’s CIP and five-year financial forecast as those years are brought into the five-year time horizon.



FIVE-YEAR FINANCIAL FORECAST FY 2024-2028

Purpose

The Village of Pinehurst is a high performing, results oriented organization focused on fulfilling our mission and achieving the short-term and long-term performance goals indicated on our Balanced Scorecard (BSC). A reliable long-term financial forecast is an important part of ensuring that adequate resources are available to meet future financial obligations. It also assists us in meeting the Council’s strategic goal to “Maintain a Healthy Financial Condition” and achieving the long-term financial targets on our Balanced Scorecard.

Each year, the Financial Services Department prepares a five-year financial forecast to ensure the Village can achieve the long-term performance target levels on the Village’s BSC and department balanced scorecards while maintaining a healthy and sustainable financial position.

The Village has budgetary and financial policies that set forth basic guidance for the financial management of the Village. These policies, provided in the *Strategic Operating Plan Guide* section of this document, are based upon long-standing principles of public stewardship. The forecast serves to inform decision makers of the mid-term financial implications of the decisions they are making today.

Methodology

The forecast includes five-year projections of revenues, operating expenditures, anticipated debt service for financed capital, and planned capital expenditures. It is inclusive of the Initiative Action Plans in the forecasted period and the impact those initiatives are projected to have on revenue, capital expenditures and ongoing operating costs.

Sound and conservative financial principles are utilized when preparing the plan. Much effort is taken to ensure that all revenue and costs associated with an Initiative Action Plan (IAP), capital addition, or program are included in the plan. This is done to ensure the plan is as complete and accurate as possible in predicting financial outcomes and to ensure that adequate resources are available to meet future obligations.

After the issuance of the Village’s audit report each fall, Financial Services staff begin compiling the data needed to update the forecast. Files containing historical financial information are updated to include the current year’s audited data. This annual update ensures that the plan is based upon the most relevant data available.

Revenue Forecasting

Significant revenue sources of the Village are forecast on a line-by-line basis. They are generally projected based on historical trends and other available information. For instance, property tax revenue is dependent on new construction trends and property revaluations. All of these factors are taken into account to forecast property tax revenue. Some revenue sources, like sales taxes, are directly linked to the overall economy. This makes them more difficult to predict on a long-term basis.

The Village also relies heavily on information provided by the North Carolina League of Municipalities (NCLM). In conjunction with economists at the North Carolina General Assembly, the NCLM issues a revenue forecast memo each spring, which contains projected growth rates for state-collected local revenue reported within intergovernmental revenues.

Department heads and financial staff also review internal data on programs and activities to accurately forecast fees and charges revenue over the five-year planning horizon.

Operating Expenditure Forecasting

Salaries and benefits make up approximately half of the Village's budgeted expenditures each year, so forecasting them accurately is critical to producing a reliable plan. Staff begins by developing the current year personnel budget. Each department head also projects staffing needs over the five-year period and completes a staffing request for the staffing forecast. The Strategic Planning Team reviews these requests and determines which positions to include in the final plan. All positions included in the staffing forecast are incorporated into the five-year forecast. Part-time staffing requirements and overtime are also estimated and included.

Merit raise ranges are estimated for the five-year period in consultation with the Village Manager and the Human Resources Director. Cost of living adjustments are based on the annual average consumer price index percentage for the prior calendar year. Other benefit costs are estimated at their individual growth rates based upon information from the North Carolina Retirement System, our insurance providers, and our benefit consultants.

The current year forecast is then used to project the remaining four years of the plan using key assumptions set by the Financial Services Director, in consultation with the Village Managers.

Each year, departments develop IAPs and Opportunities for Improvement and Innovation (OFIs) that are designed to improve performance and service levels indicated on the Village's BSC. These initiatives may include operating and capital expenditures. Each IAP or OFI has its own five-year financial plan that indicates the operating and capital expenditures as well as any revenue or cost savings impact related to the initiative by year. Financial Services staff analyze the IAPs and OFIs and incorporate the financial data contained in their plans into the five-year forecast. The *Strategic Priorities* section provides a description and the estimated net cost of IAPs included in the five-year financial forecast.

The forecast for other operating expenditures is based on the current year's operating expenditures budget. The forecast takes current operating expenditures, which are not related to personnel or a specific IAP, and forecasts them based on an inflation factor. To ensure the accuracy of the plan, a listing of adjustments by year is maintained to adjust for known additions or deductions from the plan.



For instance, if the Village has a significant expenditure in the first year that will not be in the second year of the plan, the item is removed from the plan in the second year. The forecast will not contain these costs in the second year and going forward. The financial plans for all IAPs and OFIs are reviewed carefully to ensure that new operating costs or reductions in operating costs that begin after the first year of the plan are included. Also, operating expenditures and revenue related to major capital additions are manually added to the forecast in the same manner.

Capital Expenditure Forecasting

The Village's Capital Improvement Plan (CIP) is a detailed plan of capital additions and replacements in the five-year period. The CIP is used to plan for the acquisition of vehicles, equipment, infrastructure, new facilities, and other capital assets valued at over \$5,000 per unit. All capital expenditures are consistent with the implementation strategies detailed in the 2019 Comprehensive Plan.

Adequate resources must be made available for timely replacement of the Village's capital assets. The forecast allows decision makers to monitor planned capital investment levels to ensure that a balance between operating needs and capital needs is maintained across the planning horizon.

More details on how the capital forecast is developed is contained in the *Capital Improvement Plan* section of this document.

FY 2024-2028 Five-Year Financial Forecast

Revenue Forecast and Significant Assumptions

The FY 2024-2028 forecast projects operating revenue from \$26,306,200 to \$28,300,100 over the next five years. The property tax rate is planned to decrease to \$0.23 cents per \$100 valuation, slightly below the inflation-adjusted revenue neutral tax rate of \$0.235, for FY 2024 and remain flat in FY 2025. The rate is then projected to increase one cent in FY 2026 to accommodate the additional salaries, benefits, and other operating expenditures of the new library and remain at \$0.24 cents per \$100 valuation through the five-year financial forecast. Real property values are estimated to grow at 1% over the planning period due to the construction of new homes and commercial properties. Local option sales taxes are projected to increase by 5% in FY 2024 due to favorable rates based upon the NCLM forecast.

Local option sales taxes are planned at 3% per year for all years in the plan except FY 2024. Other unrestricted intergovernmental revenues are planned to increase or decrease at varying rates based upon the NCLM forecast and other available information.

Other Financing Sources Forecast

Other financing sources represent non-revenue items such as proceeds from loans, operating transfers to the General Fund from other funds or lease liabilities issued. The forecast includes lease liabilities issued of \$25,100 in the first year of the forecast. Lease liabilities occur from lease contracts that convey control of the right to use another entity’s nonfinancial asset, such as office equipment, as specified in the contract for a period of time greater than one year in an exchange-like transaction. The potential future leases are unknown, therefore no other financing sources related to leases are forecast beyond the first year.

Operating Expenditure Forecast and Significant Assumptions

Salaries and benefits are forecast to increase by approximately 6.9% per year on average across the planning period. Merit pay raises of 2.0% and cost of living adjustments of 8.0% in FY 2024, 4.0% in FY 2025, 3.0% in FY 2026, and 2.0% in FY 2027-2028 account for the majority of this increase. Increased required retirement contributions and projected continued increases in health insurance premiums are also contributing factors.

Beyond the FY 2024 budget year, there are three planned changes to paid staff. A full-time building inspector position will reduce to half-time in FY 2025 upon retirement of a building inspector. Associated with the stormwater master plan IAP, one full-time stormwater technician position will be added in FY 2025. And as part of the library expansion IAP, four full-time equivalent positions are added in FY 2026



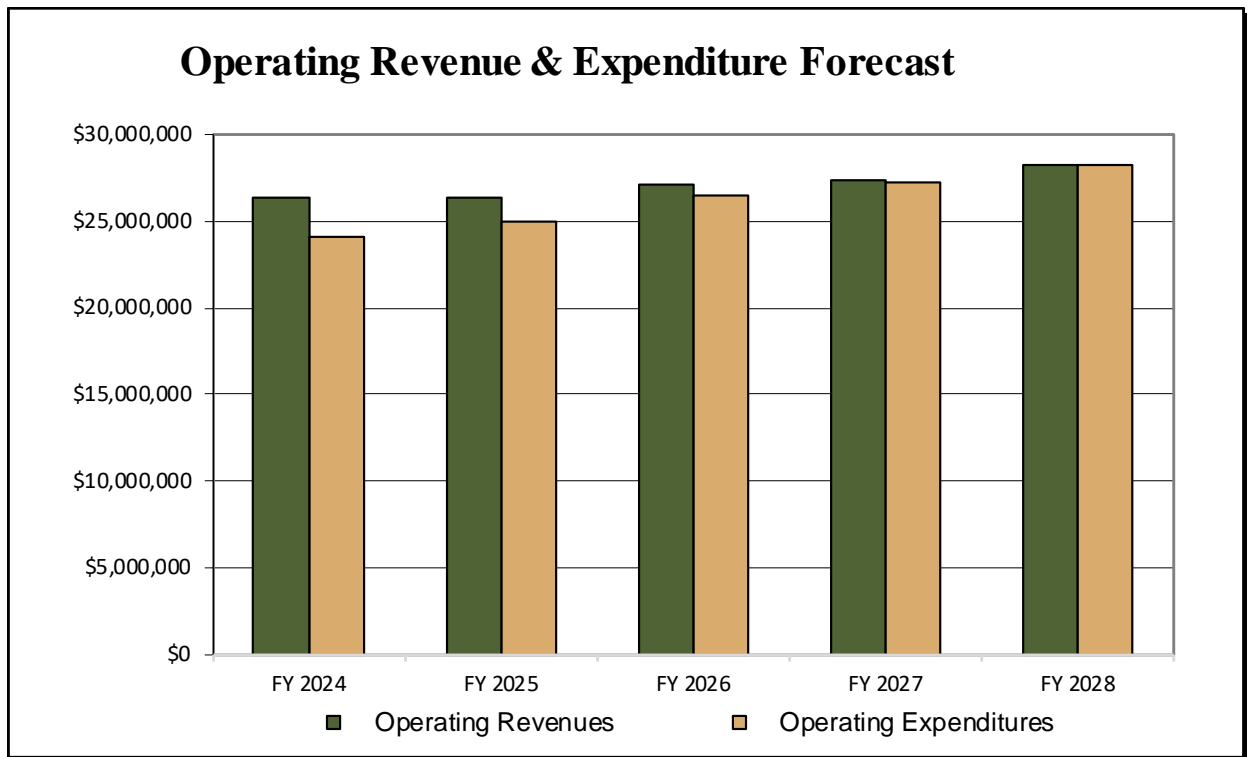
to coincide with the opening of the new library facility. The net effect of these changes is an increase of 4.5 FTEs.

In January 2022, The North Carolina Local Government Employees’ Retirement System Board voted to increase employer contribution rates over the next five years, with guardrails in place to potentially decrease rates if certain criteria are met. These contribution rates increase in year two of the five-year plan. The base contribution rate for non-law enforcement officers increases from 12.89% in FY 2024 by 0.75% each year in FY 2025 and beyond.

Based on economists’ predictions of inflation, other operating expenditures are based on a 4.0% projected inflation rate in FY 2025, a 3.0% projected inflation rate in FY 2026 and a 2.0% projected inflation rate in in FY 2027-2028. We believe these are reasonable and conservative estimates. Some operating expenditures are more volatile than others, and the plan must account for the possibility that actual costs could be slightly higher than the baseline consumer price index.

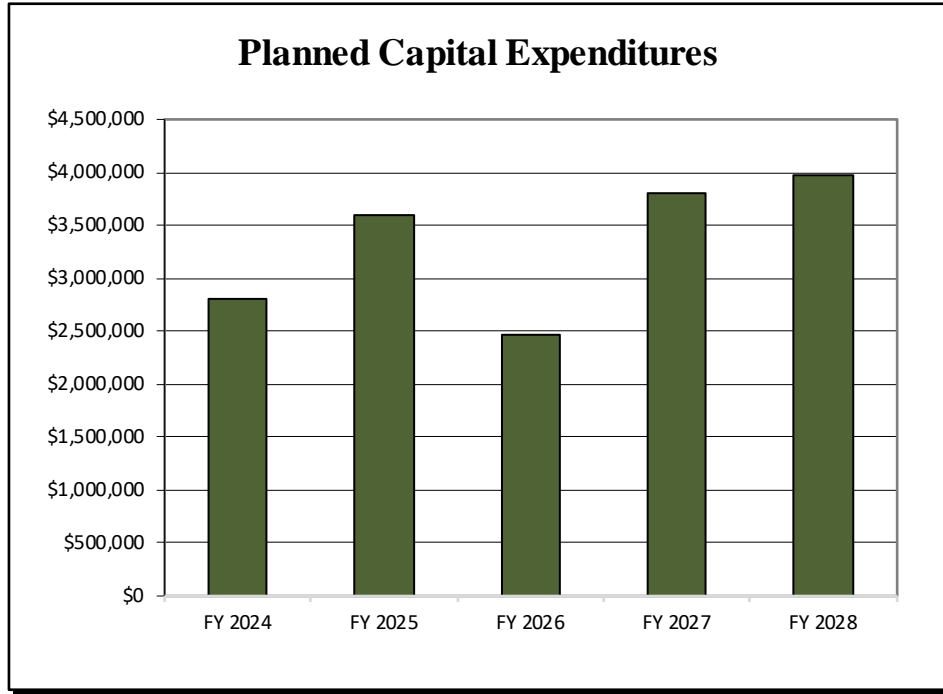
Debt service expenditures are projected using known amortization schedule payments for existing debts and estimated interest rates if new debt is projected to be issued in the five-year period. The Village currently has small debt service payments on the current office equipment leases which end in FY 2026. The Village projects a \$3,000,000 debt issuance in FY 2026 with a 5% interest rate and semi-annual payments over fifteen years to fund half of the public services complex construction.

After adjusting for incremental operating expenditures from new initiatives and capital additions, total operating expenditure increases in the plan range from 0.8% to 4.1% in FY 2024-2028. Operating expenditures related to the U.S. Open Championship in FY 2024 are removed in FY 2025.



Capital Forecast

The forecast incorporates capital investments with an estimated cost of \$16,659,500 over the next five years, excluding capital project fund expenditures. These capital investments represent 7.7% - 12.4% of total expenditures across the plan. Details on planned capital investments are provided in the *Capital Improvement Plan* section of this document.



Other Financing Uses Forecast

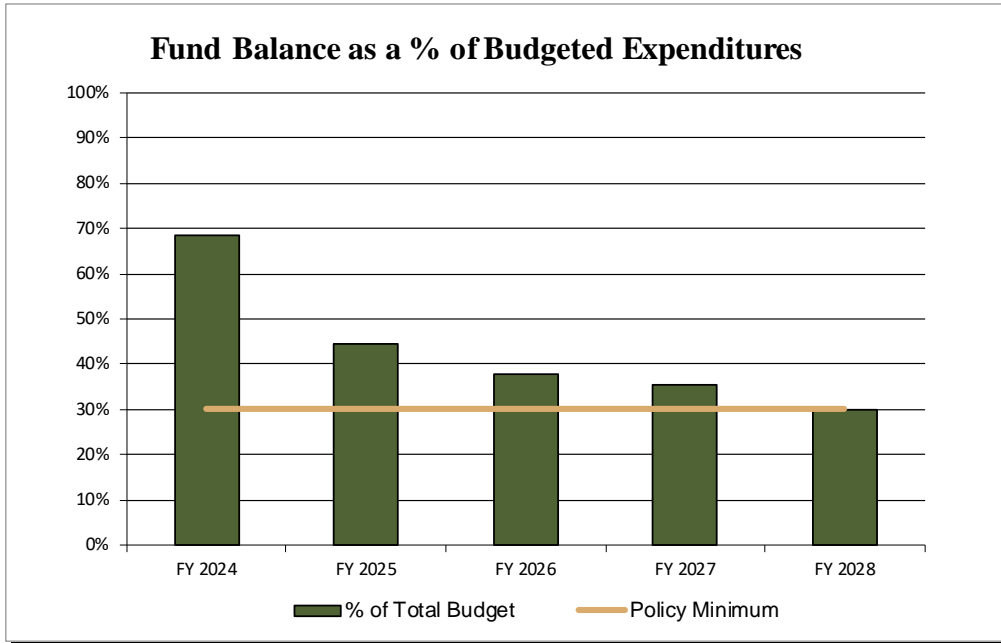
Other financing uses represent transfers out of the General Fund to other funds. The forecast includes total transfers of \$7,080,000 from the General Fund to the Public Services Relocation and Library Expansion Capital Project Funds. Details on planned capital projects funds are provided in the *Capital Project Funds* section of this document.

Forecast Summary

Table 1 on page 158 summarizes the key information of the five-year financial forecast. Management relies heavily on this data to make decisions on which programs, initiatives, and capital can be afforded within available revenues.

Two key financial management concepts guide management in these decisions. First, the Village strives to maintain a healthy operating margin. The operating margin ratio measures how much of available operating revenues are required to support operating expenditures. The Village strives to maintain an operating margin ratio between 0.89 and 0.91. For example, for each dollar in operating revenues received, approximately 89 cents will be used to support operating expenditures. This leaves the remaining 11 cents available for current or future capital investments. Monitoring this key ratio ensures that operating expenditures are kept in check and that funds will be available for capital improvements. In this year’s plan, estimated operating ratios range from 0.84 in FY 2024 to 0.92 in the final year of the plan. The

operating margin is below the target range in FY 2024 and FY 2025 as additional revenues are saved for future capital for the library and public services relocation projects. The increase in the operating margin ratios in the out years is typical in the Village’s forecast.



The second measure management uses to guide the development of the forecast is the fund balance ratio. The Village Council has adopted a Fund Balance Policy that requires management to develop budgets that maintain total fund balance of at least 30% of budgeted expenditures. Details on this policy are provided in the *Strategic Operating Plan Guide* section of this document. In the

current plan, fund balance levels begin at 68.4% in FY 2024 and decrease to approximately 30.0% by FY 2028 after transfers from the General Fund to various Capital Project funds in FY 2024-2026. These ratios in all years comply Council’s adopted minimum and positions the Village well for the future.

Historically, operating revenues come in at 101% of budget, while operating expenditures typically fall 8% below budget. This concept, known as the Budget to Actual Variance, is incorporated in each year of the forecast to most accurately predict ending fund balance.

Overall, management believes that the five-year financial plan provides a clear path forward for the Village to accomplish the goals and objectives set forth in the FY 2024 Strategic Operating Plan. The forecast was developed based on sound financial management principles and will guide the Village well throughout the planning period.



Table 1 - Five-Year Financial Forecast FY 2024-2028

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Population	18,314	18,621	18,928	19,235	19,542
Property Tax Rate	0.230	0.230	0.240	0.240	0.240
Operating Revenues					
Property Tax Revenue	\$ 13,639,000	\$ 13,783,000	\$ 14,529,000	\$ 14,679,000	\$ 14,828,000
Intergovernmental Revenues	9,362,400	9,587,200	9,819,000	10,058,800	10,304,600
Permits & Fees	1,290,300	945,000	949,000	953,000	958,000
Sales & Services	853,100	868,000	895,000	923,000	951,000
Other Operating Revenues	516,800	523,000	530,000	536,000	1,043,000
Interest Income	640,100	662,000	404,000	235,000	211,000
Other Taxes & Licenses	4,500	4,500	4,500	4,500	4,500
Operating Revenues	26,306,200	26,372,700	27,130,500	27,389,300	28,300,100
Other Financing Sources (OFS)	25,100	-	-	-	-
Total GF Revenues & OFS	\$ 26,331,300	\$ 26,372,700	\$ 27,130,500	\$ 27,389,300	\$ 28,300,100
Operating Expenditures					
Personnel in FTEs	162.9	163.4	167.4	167.4	167.4
Salaries and Benefits	\$ 15,235,300	\$ 16,095,400	\$ 17,109,200	\$ 17,740,400	\$ 18,342,900
Operating	8,792,500	8,863,920	9,228,187	9,358,992	9,567,614
Debt Service	19,100	13,000	159,000	150,000	317,000
Operating Expenditures	24,046,900	24,972,320	26,496,387	27,249,392	28,227,514
Operating Income	2,259,300	1,400,380	634,113	139,908	72,586
Other Financing Uses (OFU)	80,000	4,000,000	3,000,000	-	-
Capital Expenditures in GF	2,804,500	3,600,500	2,467,000	3,806,500	3,981,000
Total GF Expenditures & OFU	\$ 26,931,400	\$ 32,572,820	\$ 31,963,387	\$ 31,055,892	\$ 32,208,514
Revenues Over (Under) Exp	\$ (600,100)	\$ (6,200,120)	\$ (4,832,887)	\$ (3,666,592)	\$ (3,908,414)

Capital As a Percent of Total Expenditures:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Expenditures	\$ 26,931,400	\$ 32,572,820	\$ 31,963,387	\$ 31,055,892	\$ 32,208,514
Total Capital Expenditures	2,804,500	3,600,500	2,467,000	3,806,500	3,981,000
% of Total Expenditures	10.4%	11.1%	7.7%	12.3%	12.4%

Projected Impact on Fund Balance in the General Fund:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Beginning Fund Balance	\$ 16,706,724	\$ 18,412,049	\$ 14,534,800	\$ 12,146,053	\$ 10,989,053
Revenues Over (Under) Exp	(600,100)	(6,200,120)	(4,832,887)	(3,666,592)	(3,908,414)
Budget to Actual Variance ¹	2,305,425	2,322,871	2,444,139	2,509,593	2,585,618
Projected Actual Gain/(Loss)	1,705,325	(3,877,249)	(2,388,747)	(1,156,999)	(1,322,796)
Projected Ending GF Bal	\$ 18,412,049	\$ 14,534,800	\$ 12,146,053	\$ 10,989,053	\$ 9,666,258
% of Total Budget	68.4%	44.6%	38.0%	35.4%	30.0%

¹ Assumes actual revenues of 101% of budget and actual operating expenditures of 92% of budget

Estimated Operating Margin	0.84	0.87	0.90	0.92	0.92
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CAPITAL IMPROVEMENT PLAN FY 2024-2028

The Village of Pinehurst’s five-year Capital Improvement Plan (CIP) is an integral part of the Village’s Strategic Planning Process, which is described in detail in the *Strategic Priorities* section of this document. The CIP process is used to plan for the budgeting and financing of routine replacement of vehicles and equipment, significant infrastructure improvements, new facility construction, and other capital asset additions greater than \$5,000 per unit. The Village uses this process to ensure that high-dollar, long-lived projects are aligned with the Village’s strategic direction and that capital investments are financially sustainable. Capital items included in the plan are consistent with the implementation strategies detailed in the 2019 Comprehensive Plan. The CIP is developed in conjunction with the Village’s Five-Year Financial Forecast outlined in the previous section.

The FY 2024-2028 CIP represents a \$27.1 million plan to address the Council’s strategic objective to “Maintain Village assets” under the strategic goal to “Professionally manage a high performing organization.” Capital expenditures are driven by the types and levels of services provided to customers and the target performance levels established by the Village Council. The proposed plan represents maintaining all current service levels while enhancing others through increased capital investment.

This CIP was developed under the assumption that the Village will fund those items that are able to be included under the proposed tax rate of \$0.23 per \$100 valuation and projected tax rates shown in the five-year financial forecast.

The Village Council updates the CIP annually as part of the Strategic Operating Plan to ensure it is reflective of the Council’s current strategic goals and objectives. In addition, it is expanded annually to add a year of programming to replace the year previously completed.

Adoption of the CIP by the Village Council does not constitute a commitment to fund a particular item, but rather signifies Council’s intention to fund capital expenditures at the indicated level during the five years. The capital investment shown in FY 2024 of the CIP, however, does represent the amount of capital spending appropriated in the FY 2024 Budget.

Capital Improvement Program

Overview

The FY 2024-2028 CIP includes capital investments with a total estimated cost of \$27,139,500 over the next five years. These costs are divided into four major areas – Capital Projects, Fleet, Information Technology (IT), and Other Capital Additions. Table 1 indicates the breakdown of capital investments by area:

Table 1 - Capital Cost By Major Area

Major Area	Cost of Capital	% of Total
Capital Projects	\$ 10,480,000	39%
Fleet	5,723,500	21%
Information Technology	574,000	2%
Other Capital Additions	10,362,000	38%
TOTAL	\$ 27,139,500	100%

Capital Projects

Specific criteria are used to determine whether a capital request is classified as a capital project. The criteria are: (1) the total cost is estimated to exceed \$100,000, (2) substantial activity must occur over more than one fiscal year, and (3) the attributes of the project such as type, location, size, etc. must be specifically identified. Capital projects are typically for major facilities and may require the use of a separate capital project fund.

The Village has three capital projects planned in the FY 2024-2028 CIP. In FY 2022, the Village began the design process for construction of a new building for Given Memorial Library and renovation of the existing building for the Tufts Archives. The construction and renovation of these buildings will occur in FY 2025 after the 2024 U.S. Open Championship. Relocation of the public services complex will allow redevelopment of Village Place, where the existing public services building is located, and will help to enhance the business environment. Site plan and design of the public services relocation is expected in FY 2024 and FY 2025, respectively, with construction commencing in FY 2026. In order to improve service delivery, the need for an additional fire station has been identified. Fire Station 93 is planned to be designed in FY 2028 with construction thereafter.



Fleet

The Fleet Maintenance Department is responsible for the purchase, replacement, and maintenance of the Village’s fleet and large equipment (e.g. backhoes, dump trucks). Existing assets are primarily replaced on a life cycle replacement schedule. However, if the equipment is in good working condition at the end of its scheduled replacement, replacement is delayed, and available funds are diverted to other capital needs. The fleet and large equipment inventory can be expanded only if a new initiative is approved that is deemed to support the Village’s Strategic Operating Plan. Key Performance Indicators (KPIs) for Fleet Maintenance are included in the *General Fund* section of this document.

Information Technology (IT)

The Information Technology Department is responsible for the purchase, replacement, and maintenance of the Village’s computer hardware, software, and communication

infrastructure. Existing IT assets are replaced on a life cycle replacement schedule. Key Performance Indicators (KPIs) for Information Technology are included in the *General Fund* section of this document.

Other Capital Additions

The purchase, replacement, and maintenance of all other infrastructure and fixed assets are other capital additions. Examples include land, transportation improvement projects, pedestrian facilities, and stormwater drainage improvements.

Funding Sources

Funding for capital expenditures may be obtained from the following sources:

- General Fund Cash – this is provided by appropriated operating revenues or fund balance and will generally be used for routine capital investments.
- Installment Financing – this is provided by a banking institution and typically is collateralized by the asset being purchased. It is a contractual obligation specifying payment terms, including principal and interest to be paid over a period of time, generally 5 to 15 years, that does not exceed the life of the asset. Most installment financing agreements are amortized as fixed principal plus interest.
- Grant Funding – this refers to the Village submitting a grant application and being awarded funds from an external organization, typically a state or federal government agency, for a specific purpose.
- General Obligation Bonds – this funding source requires voter approval and is used to finance major capital projects with an expected life of 30 to 40 years. The Village has not utilized this funding source in the past due to the size of debt issuances.

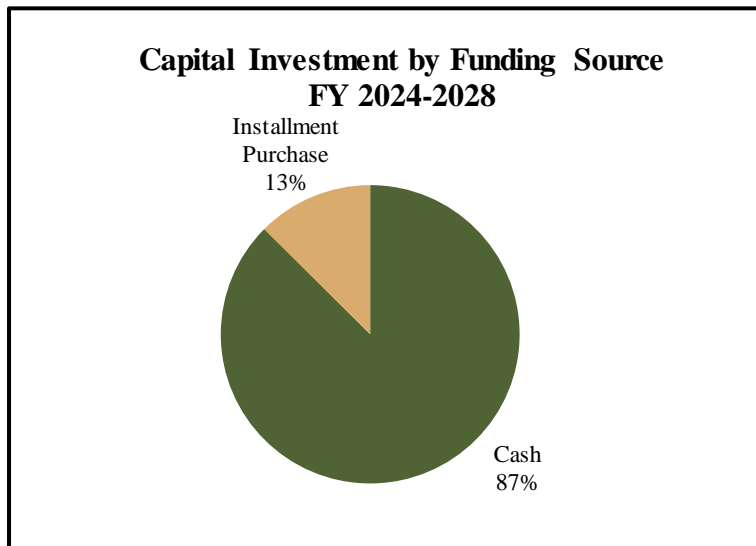


Table 2 below shows a summary of the revenues and funding sources for the FY 2024-2028 projected capital investments:

Table 2 - CIP Revenue/Funding Sources Summary

Funding Source	Cost of Capital
General Fund Cash	\$ 23,739,500
Installment Financing	3,400,000
TOTAL	\$ 27,139,500

It is important to note a majority of the capital improvements will be funded with available Village funds or cash, while only 13% or \$3.4 million will be funded with installment purchase financing.



Impact on General Fund

Table 3 illustrates the total General Fund impact of the CIP over the five years.

Table 3 - General Fund Impact of the CIP

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Capital Projects	\$ 80,000	\$ 4,000,000	\$ 3,000,000	\$ -	\$ -	\$ 7,080,000
Fleet	782,000	855,000	834,000	2,504,500	748,000	5,723,500
Information Technology	213,000	139,000	162,000	25,000	35,000	574,000
Other Capital Additions	1,809,500	2,606,500	1,471,000	1,277,000	3,198,000	10,362,000
Capital Paid with Cash	2,884,500	7,600,500	5,467,000	3,806,500	3,981,000	23,739,500
Net Annual Operating Impact	(27,700)	(38,400)	498,400	509,900	187,912	1,130,112
General Fund Impact	\$ 2,856,800	\$ 7,562,100	\$ 5,965,400	\$ 4,316,400	\$ 4,168,912	\$ 24,869,612
\$0.01 of the Tax Rate	\$ 593,000	\$ 599,261	\$ 605,375	\$ 611,625	\$ 617,833	
Tax Rate Equivalent of CIP	\$ 0.05	\$ 0.13	\$ 0.10	\$ 0.07	\$ 0.07	\$ 0.08

Operating Impact

Table 4 summarizes the operating impact of the significant non-recurring capital outlays in the CIP, including capital projects, IAPs and other significant projects. The operating impact of the following non-recurring capital outlays are included below: Given Memorial Library construction and Public Services relocation. These operating impacts are forward-looking and only include costs associated with capital items included in the five-year planning period.

Table 4 - Operating Impact of Significant Non-Recurring Capital Outlays in the CIP

	Fiscal Year Ending June 30					
	2024	2025	2026	2027	2028	Total
Revenues:						
Property Sale	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Recreation Fees	9,000	13,700	18,500	19,000	19,600	79,800
Total Operating Revenues	\$ 9,000	\$ 13,700	\$ 18,500	\$ 19,000	\$ 519,600	\$ 579,800
Operating Costs:						
Salaries & Benefits	\$ -	\$ -	\$ 272,800	\$ 282,600	\$ 292,400	\$ 847,800
Operating Costs	-	-	125,000	128,000	131,000	384,000
Debt Service	-	-	150,000	150,000	316,612	616,612
Reduction in Operating Costs	(18,700)	(24,700)	(30,900)	(31,700)	(32,500)	(138,500)
Total Operating Costs	\$ (18,700)	\$ (24,700)	\$ 516,900	\$ 528,900	\$ 707,512	\$ 1,709,912
Net Operating Impact	\$ (27,700)	\$ (38,400)	\$ 498,400	\$ 509,900	\$ 187,912	\$ 1,130,112

Revenues are anticipated from the Public Services Relocation project. In FY 2028, an estimated \$500,000 in proceeds from the sale of the existing Public Services property is included in the operating impact.

Salaries and benefits are projected to increase with the addition of four full-time equivalents (FTEs) to staff the new Given Memorial Library building beginning in FY 2026.

Operating costs include utilities and maintenance related to the newly constructed library. The additional square footage from the new complex being operational will increase utility and maintenance costs starting in FY 2026.

As construction of the new Public Services facility is started, \$3,000,000 in debt will be issued, and commencement of debt service payments will start in FY 2026 and continue thereafter.

Debt Service

Table 5 shows the ratio of projected debt service to estimated total expenditures over the five years. During the planning horizon, the Village’s debt service as a percentage of total General Fund expenditures is projected to be less than 1%. The Village’s policy is to keep debt service as a percentage of expenditures below 10%.

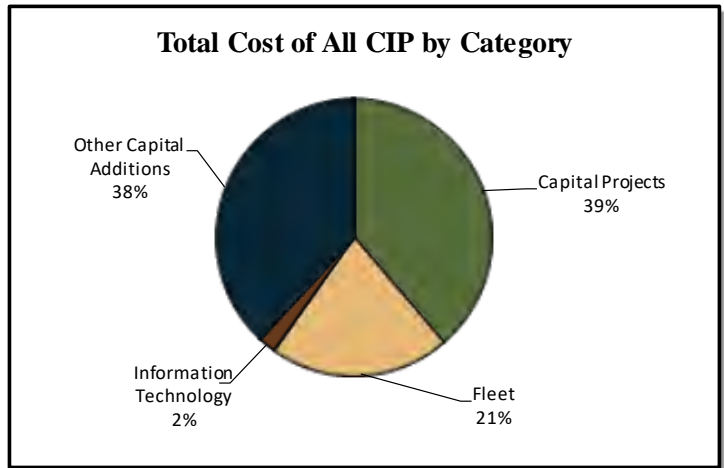
Table 5 - Impact of CIP Debt Issuances on Debt Ratios

	Fiscal Year Ending June 30				
	2024	2025	2026	2027	2028
Debt Service					
Equipment Leases	\$ 19,100	\$ 12,300	\$ 8,900	\$ -	\$ -
Public Services Relocation	-	-	150,000	150,000	316,612
Subtotal	19,100	12,300	158,900	150,000	316,612
Total Debt Service	\$ 19,100	\$ 12,300	\$ 158,900	\$ 150,000	\$ 316,612
Estimated Expenditures	\$ 26,931,400	\$ 32,572,820	\$ 31,963,387	\$ 31,055,892	\$ 32,208,514
% of Expenditures	0.07%	0.04%	0.50%	0.48%	0.98%

Summary

In summary, the FY 2024-2028 CIP represents a \$27.1 million General Fund investment in capital for fleet, information technology, and other capital additions and includes three capital projects in the five-year planning period. The list below highlights some of the more notable items included the five year plan:

- Library Expansion (FY 2024 - 2025)
- Public Services Relocation (FY 2024 – 2026)
- Pedestrian facilities (all years)
- Streetscape improvements (all years)
- Stormwater drainage projects (all years)
- Restoration of historical pathways (all years)
- Police vehicle replacements (all years)
- Garbage truck replacements (all years)
- Imaging system (FY 2024)
- Ladder truck (FY 2027)
- Synthetic turf (FY 2025 and FY 2028)
- West Pinehurst Park development (FY 2028)





Capital Projects

This section contains detail on the capital projects included in the FY 2024-2028 CIP. Specific criteria are used to determine whether a capital request is classified as a capital project. The criteria are: (1) the total cost is estimated to exceed \$100,000, (2) substantial activity must occur over more than one fiscal year, and (3) the attributes of the project such as type, location, size, etc. must be specifically identified. Capital projects are typically for major facilities and may require the use of a separate capital project fund.

Library Expansion – This capital project will construct a new Given Memorial Library building and renovate the existing building for the Tufts Archives.

Public Services Relocation – This capital project will construct a new Public Services complex allowing for redevelopment of Village Place for business growth.

Fire Station 93 – This capital project will construct a new fire station to improve service delivery as the Village grows.

Library Expansion

Function	Cultural and Recreation
Strategic Goal	Promote active living and cultural opportunities
Strategic Objective	Provide cultural services and events
Key Performance Indicators	Expand the Given Memorial Library

Project Description/ Justification

This project includes the design and construction of a new building for Given Memorial Library and renovations to the existing building for the Tufts Archives. The expansion is based on the needs Pinehurst residents expressed for expanded or enhanced library services during a Library Needs Assessment. Design for the library expansion began in FY 2022 with construction of the new building and renovations to the existing building commencing in FY 2025 after the 2024 U.S. Open Championship.

Project Budget	Total	Fiscal Year Ending June 30					
		Prior Periods	2024	2025	2026	2027	2028
Appropriations	\$ 5,000,000	\$ 1,400,000	\$ -	\$ 3,600,000	\$ -	\$ -	\$ -
TOTAL	\$ 5,000,000	\$ 1,400,000	\$ -	\$ 3,600,000	\$ -	\$ -	\$ -
Funding Source:							
Cash	\$ 5,000,000	\$ 1,400,000	\$ -	\$ 3,600,000	\$ -	\$ -	\$ -
TOTAL	\$ 5,000,000	\$ 1,400,000	\$ -	\$ 3,600,000	\$ -	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30					
		Prior Periods	2024	2025	2026	2027	2028
Project Expenditures	\$ (5,000,000)	\$ (400,000)	\$ -	\$ (4,600,000)	\$ -	\$ -	\$ -
Operating Expenditures	(1,231,800)	-	-	-	(397,800)	(410,600)	(423,400)
TOTAL	\$ (6,231,800)	\$ (400,000)	\$ -	\$ (4,600,000)	\$ (397,800)	\$ (410,600)	\$ (423,400)

Key Performance Indicators	Fiscal Year Ending June 30				
	2024	2025	2026	2027	2028
Expand the Given Memorial Library	Yes	Yes	Yes	Yes	Yes

Public Services Relocation

Function	Transportation
Strategic Goal	Promote a thriving business community
Strategic Objective	Support the business community
Key Performance Indicators	No relevant key performance indicator currently

Project Description/ Justification

This project includes the design and construction of a Public Services complex to allow redevelopment of Village Place in support of the strategic objective to manage development to protect Village character and address the opportunity to enhance the business environment and reinvigorate the Village center. Site plan is expected in FY 2024, with design in FY 2025 and construction beginning in FY 2026.

Project Budget	Total	Fiscal Year Ending June 30				
		2024	2025	2026	2027	2028
Appropriations	\$ 6,480,000	\$ 80,000	\$ 400,000	\$ 6,000,000	\$ -	\$ -
TOTAL	\$ 6,480,000	\$ 80,000	\$ 400,000	\$ 6,000,000	\$ -	\$ -
Funding Source:						
Cash	\$ 3,480,000	\$ 80,000	\$ 400,000	\$ 3,000,000	\$ -	\$ -
Installment Financing	3,000,000	-	-	3,000,000	-	-
TOTAL	\$ 6,480,000	\$ 80,000	\$ 400,000	\$ 6,000,000	\$ -	\$ -

Cash Flow Impact	Total	Fiscal Year Ending June 30				
		2024	2025	2026	2027	2028
Debt Proceeds	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ -	\$ -
Project Expenditures	(6,480,000)	(80,000)	(400,000)	(6,000,000)	-	-
Debt Service	(616,612)	-	-	(150,000)	(150,000)	(316,612)
TOTAL	\$ (4,096,612)	\$ (80,000)	\$ (400,000)	\$ (3,150,000)	\$ (150,000)	\$ (316,612)

Key Performance Indicators	Fiscal Year Ending June 30				
	2024	2025	2026	2027	2028

No relevant KPI currently

Fire Station 93

Function	Public Safety
Strategic Goal	Safeguard the community
Strategic Objective	Deliver effective fire and rescue services
Key Performance Indicators	Percentage of emergency calls with a response time of six minutes

Project Description/ Justification

This project includes the design and construction of an additional fire station in the Village. The third fire station (Fire Station 93) will help to improve service delivery by providing more effective fire services to residents and businesses. Design is expected to occur in FY 2028, with construction beginning thereafter.

Project Budget	Total	Fiscal Year Ending June 30				
		2024	2025	2026	2027	2028
Appropriations	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
TOTAL	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Funding Source:						
Installment Financing	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
TOTAL	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000

Cash Flow Impact	Total	Fiscal Year Ending June 30				
		2024	2025	2026	2027	2028
Debt Proceeds	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Project Expenditures	(400,000)	-	-	-	-	(400,000)
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Key Performance Indicators	Fiscal Year Ending June 30				
	2024	2025	2026	2027	2028
Percentage of emergency calls with a response time of six minutes	Yes	Yes	Yes	Yes	Yes

Fleet Purchase Plan

This section contains details on the purchase of new or replacement vehicles and equipment. Vehicles and equipment are primarily replaced on a life cycle replacement schedule.

Description	Year	Life	Budget		CIP		
			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Buildings & Grounds							
Ford F150	2004	15	\$ 30,000	\$ -	\$ -	\$ -	\$ -
Ford F150	2008	15	-	-	-	38,000	-
Chevy Colorado	2009	15	-	-	-	-	35,000
Ventrac Mower 4X4 Mule	2012	15	40,000	-	-	-	-
	2005	15	20,000	-	-	-	-
Fire							
Chevy Colorado	2008	15	-	-	-	34,000	-
Chevy Tahoe	2011	15	-	-	-	51,000	-
Ladder Truck	New		-	-	-	1,700,000	-
Fleet Maintenance							
Chevy C1500 4X4 Truck	2006	20	-	36,000	-	-	-
Harness Track							
Ford F250	2008	15	-	-	-	-	37,000
Ford F250	2009	15	-	-	-	37,000	-
John Deere Zero Turn Mower	2019	7	-	-	-	-	15,000
John Deere Zero Turn Mower	2013	7	13,000	-	-	-	-
Skidsteer	New		-	55,000	-	-	-
Mower Deck	New		-	-	-	5,500	-
Planning							
Chevy Malibu	2008	15	-	-	-	23,000	-
Police							
Chevy Tahoe	2012	10	61,000	-	-	-	-
Chevy Tahoe	2012	10	61,000	-	-	-	-
Chevy Tahoe	2013	10	-	62,000	-	-	-
Dodge Charger	2016	6	-	-	64,000	-	-
Dodge Charger	2018	6	-	62,000	-	-	-
Dodge Charger	2015	6	-	-	64,000	-	-
Dodge Charger	2013	10	61,000	-	-	-	-
Dodge Charger	2015	10	61,000	-	-	-	-
Dodge Charger	2016	6	-	62,000	-	-	-
Dodge Durango	2019	10	-	-	-	-	60,000
Dodge Durango	2019	10	-	-	-	-	67,000
Chevy 1500	2018	10	-	-	64,000	-	-
Ford Utility	2019	10	-	-	-	66,000	-
Toyota Camry	2018	10	-	-	-	66,000	-
PS Administration							
Chevy C1500	2016	12	-	-	-	-	38,000
Recreation							
Ford Fusion	2011	20	-	-	-	-	47,000
Chevy Tahoe	2011	10	-	-	45,000	-	-
Handicap Accessible Van	New		-	124,000	-	-	-

Fleet Purchase Plan (continued)

Description	Year	Life	Budget	CIP			
			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Solid Waste							
Freightliner Garbage Truck	2016	7	\$ -	\$ -	\$ -	\$ 285,000	\$ -
Freightliner Garbage Truck	2016	7	-	-	275,000	-	-
Chevy C1500	2007	15	35,000	-	-	-	-
Slide-in Tipster Bed	New		25,000	-			
Chevy Garbage Truck	2011	6	-	-	62,000	-	-
Ford F-150 Pickup	2009	15	-	-	-	-	39,000
Chevy Garbage Truck	2011	6	-	-	-	63,000	-
Freightliner Garbage Truck	2012	7	255,000	-	-	-	-
Freightliner Garbage Truck	2018	7	-	-	-	-	290,000
Freightliner Garbage Truck	2014	7	-	265,000	-	-	-
Streets & Grounds							
John Deere Motor Grader	1992	20	-	-	160,000	-	-
Equip Trailer W/Hitch	1998	20	10,000	-	-	-	-
300 Land Long Tractor	2001	20	-	45,000	-	-	-
Ford F150	2005	15	-	-	-	38,000	-
Chevy Dump Truck-1 Ton	2005	20	-	80,000	-	-	-
International Dump Truck	2006	20	-	-	100,000	-	-
Chevy Dump Truck-1 Ton	2006	20	75,000	-	-	-	-
Chevy Dump Truck-1 Ton	2007	20	-	-	-	82,000	-
Ford F150	2008	15	35,000	-	-	-	-
Ford F150	2008	15	-	36,000	-	-	-
John Deere Zero Turn Mower	2013	7	-	14,000	-	-	-
Scag Zero Turn Mower	2021	7	-	-	-	-	16,000
Dodge Ram 1500	2010	15	-	-	-	-	39,000
John Deere 5085 Tractor	2012	20	-	-	-	-	65,000
Flint Salt Spreader	2012	5	-	14,000	-	-	-
Flint Salt Spreader	2014	5	-	-	-	16,000	-
Total			\$ 782,000	\$ 855,000	\$ 834,000	\$ 2,504,500	\$ 748,000

Information Technology Purchase Plan

This section contains details on the purchase, replacement, and maintenance of the Village’s computer hardware, software, and communication infrastructure. These assets are primarily replaced on a life cycle replacement schedule.

Description	Year	Life	Budget		CIP			
			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	
Administration								
Assembly Hall Sound System Upgrade	2013	5	\$ -	\$ 22,000	\$ -	\$ -	\$ -	\$ -
Assembly Hall Projector	2021	5	-	-	16,000	-	-	-
Building Access System	2020	10	-	-	15,000	-	-	-
Assembly Hall Camera System	2013	5	-	-	-	12,000	-	-
Fair Barn								
A/V Projector	2017	5	8,000	-	-	-	-	-
Sound System	2015	5	-	18,000	-	-	-	-
Information Technology								
Server - Phone System Host	2017	4	-	13,000	-	-	-	-
Server - PD Hyper-V Host	2017	4	-	13,000	-	-	-	-
Server - Vrtx (Blade Servers)	2018	4	-	-	65,000	-	-	-
Village Wide Phone System	2011	5	-	45,000	-	-	-	-
Village Wide Imaging System	2024	5	110,000	-	-	-	-	-
Village Hall Firewall	2021	6	-	-	15,000	-	-	-
HP Procurve Core Switch	2013	5	-	-	35,000	-	-	-
Canon Designjet Plotter	2020	8	-	-	-	13,000	-	-
Planning								
Canon IPF840 Plotter/Scanner	2017	8	15,000	-	-	-	-	-
Police								
CCTV Surveillance System	2021	4	-	-	-	-	-	35,000
Phone Recording Solution Upgrade	2016	5	-	28,000	-	-	-	-
Training/Conference Room AV Upgrade	2016	7	-	-	16,000	-	-	-
Recreation								
Rassie Wicker/Cannon Park Fiber	2024	3	50,000	-	-	-	-	-
Solid Waste								
Routeware	2024	3	30,000	-	-	-	-	-
Total			\$ 213,000	\$ 139,000	\$ 162,000	\$ 25,000	\$ 35,000	

Other Capital Additions Purchase Plan

This section contains details on the purchase, replacement, and maintenance of all other fixed assets and infrastructure. Examples include land, transportation improvements, greenway trails, and stormwater drainage improvements. Capital additions are made on an as-needed basis.

Description	Budget	CIP			
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Administration					
Replace HVAC	\$ -	\$ 8,000	\$ -	\$ 60,000	\$ -
Upgrades to Elevator	40,000	82,000	-	-	-
Fire Sprinkler Valve Pits	-	45,000	-	-	-
Streets & Grounds					
Stormwater Drainage Projects	430,000	430,000	430,000	430,000	430,000
Streetscape Improvement	200,000	200,000	200,000	200,000	200,000
Pedestrian Facilities	460,000	460,000	460,000	460,000	460,000
Restoration of Historical Pathways	50,000	50,000	50,000	50,000	50,000
Fair Barn					
Fair Barn Additions from Evaluation	-	25,000	125,000	-	-
Replace Dimmer Panel	38,000	-	-	-	-
Replace HVAC	-	-	40,000	60,000	-
Fire					
Thermal Imaging Camera	15,400	-	-	-	-
Opticom - Traffic Light Preemption System	15,000	-	-	-	-
SCBA Breathing Air Compressor	60,000	-	-	-	-
Physical Training Equipment	-	12,000	-	-	-
Storage Building Electrical	6,000	-	-	-	-
HVAC Station 91	-	15,000	16,000	17,000	18,000
Copier Right-to-Use Lease Asset	5,900	-	-	-	-
Harness Track					
Grooms Quarters/Restroom Improvements	90,000	69,500	-	-	-
Waste Containment Bins	36,000	45,000	-	-	-
Gable Ends - Barn 6, 9, 10 & 14	-	20,000	-	-	-
New Barn	-	-	-	-	40,000
Office Renovation	40,000	-	-	-	-
Stormwater Master Plan Implementation	15,000	15,000	15,000	-	-
Sewer Connections	-	-	90,000	-	-
Recreation Vehicle Hookup	15,000	-	-	-	-
Public Restrooms	10,000	85,000	-	-	-
Police					
Fire Sprinkler Valve Pits	-	-	45,000	-	-
Light Towers	36,000	-	-	-	-
Dispatch Radio Replacement	160,000	-	-	-	-
Replace HVAC	22,000	-	-	-	-
Live Scan	16,000	-	-	-	-
Copier Right-to-Use Lease Asset	4,800	-	-	-	-

Other Capital Additions Purchase Plan (continued)

Description	Budget	CIP			
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Public Services Administration					
Copier Right-to-Use Lease Asset	\$ 4,800	\$ -	\$ -	\$ -	\$ -
Planning					
Copier Right-to-Use Lease Asset	4,800	-	-	-	-
Recreation					
Replace Field 2 Lights	-	345,000	-	-	-
Synthetic Turf on Cannon Park Fields	-	700,000	-	-	1,000,000
Downtown Christmas Tree	30,000	-	-	-	-
Copier Right-to-Use Lease Asset	4,800	-	-	-	-
West Pinehurst Park Development	-	-	-	-	1,000,000
	<u>\$ 1,809,500</u>	<u>\$ 2,606,500</u>	<u>\$ 1,471,000</u>	<u>\$ 1,277,000</u>	<u>\$ 3,198,000</u>





ANNUAL BUDGET ORDINANCE



VILLAGE OF PINEHURST Budget Ordinance Fiscal Year 2024

BE IT ORDAINED AND ESTABLISHED by the Village Council of Pinehurst, North Carolina, in the Regular Meeting assembled this 13th day of June 2023 as follows:

SECTION 1. The following amounts are hereby appropriated in the General Fund for the operation of Village government and its activities for the fiscal year beginning July 1, 2023 and ending June 30, 2024, in accordance with the chart of accounts heretofore established for this Village:

EXPENDITURES:

Governing Body	\$ 253,000
Administration	1,767,285
Financial Services	903,920
Human Resources	706,560
Police	4,745,547
Fire	4,151,224
Inspections	437,620
Public Services Administration	694,968
Streets & Grounds	3,097,790
Powell Bill	1,500,100
Solid Waste	2,695,710
Planning	1,284,290
Community Development	166,820
Recreation	2,439,553
Library	635,435
Harness Track	869,953
Fair Barn	482,525
Debt Service	19,100
Other Financing Uses	<u>80,000</u>

TOTAL EXPENDITURES \$ 26,931,400

SECTION 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

REVENUES:

Ad Valorem Tax Revenue	\$ 13,639,000
Other Taxes and Licenses	4,500
Unrestricted Intergovernmental Revenue	8,762,900
Restricted Intergovernmental Revenue	599,500
Permits and Fees	1,290,300
Sales and Services	853,100
Other Revenues	516,800
Investment Income	640,100
Other Financing Sources	25,100
Fund Balance Appropriated	<u>600,100</u>
TOTAL REVENUES	<u>\$ 26,931,400</u>

SECTION 3. There is hereby levied a tax at the rate of twenty-three cents (\$0.23) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2023, for the purpose of raising revenue in the General Fund in Section 2 of this ordinance. This rate is based on a total valuation of property for the purposes of taxation of \$5,937,000,000 and an estimated collection rate of 99.9% for real and personal property and 100.0% for motor vehicles.

SECTION 4. The Village Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a department without limitation and without a report being required.
- b. He may transfer amounts between departments, including contingency appropriations, within the same fund to increase an appropriation up to \$25,000 in a single budget amendment. He must make an official report on such transfers at the next regular meeting of the Village Council. In the event a State of Emergency is declared by the Mayor or designee, unlimited budget amendment authority within the same fund is granted for expenditures directly related to the emergency. He must make an official report on any such transfers authorized under a State of Emergency at the next regular meeting of the Village Council.
- c. He may not transfer any amounts between funds, except as approved by the Village Council in the Budget Ordinance as amended.

SECTION 5. The Village Manager or his designee is hereby authorized to execute the necessary agreements within funds included in the Budget Ordinance for the following purposes:

- a. Purchase of apparatus, supplies, and materials where formal bids are not required by law;
- b. Leases of normal and routine business equipment;
- c. Construction or repair work where formal bids are not required by law;
- d. Consultant services, professional services, contracted services, or maintenance service agreements up to an anticipated contract amount of \$50,000. In the event a State of Emergency is declared by the Mayor or designee, unlimited contracting authority is granted for services directly related to the emergency. The Village Manager must report to the Village Council any executed contracts exceeding \$50,000 during the State of Emergency declaration;
- e. Agreements for acceptance of State and Federal grant funds; and
- f. Grant agreements with public and non-profit agencies.

SECTION 6. Copies of this Budget Ordinance shall be furnished to the Village Clerk, Village Manager, and Financial Services Director for their direction and implementation.

THIS ORDINANCE passed and adopted this 13th day of June, 2023.



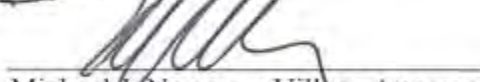
VILLAGE OF PINEHURST
VILLAGE COUNCIL

By: 
John C. Strickland, Mayor

Attest:


Kelly Chance, Village Clerk

Approved as to Form:


Michael C. Newman, Village Attorney



BUDGET GLOSSARY

A	
Accrual Basis of Accounting	Method of accounting that recognizes the financial effect of transactions, events, and interfund activity when they occur, regardless of the timing of related cash flows.
ACE	The acronym for one of the Village’s informal process improvement methodologies. It stands for Analyze process requirements, Change the process, and Evaluate the change. For more significant process improvements, see BIRDIE.
Ad Valorem tax	A tax levied in proportion to the value of a property.
Amortization	Allocation of capital investment or cost over a period of years or time corresponding to the investment’s terms or useful life, or allocation of debt over the debt’s term.
Annual Comprehensive Financial Report (ACFR)	A complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.
Appropriation	An authorization made by the Village Council that permits the Village to incur obligations and to make expenditures of resources.
Area of Focus (AOF)	Strategic objectives from the balanced scorecard where the organization develops initiative action plans to improve performance levels.
Assessed Valuation	The value established for real or personal property for use as a basis to levy property taxes.
Audit	An independent examination of the financial statements of an organization to ensure the records are fairly and accurately represented.
B	
Balanced Budget	A balanced budget as defined by the North Carolina Local Government Budget and Fiscal Control Act is when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund. In North Carolina, it is required that the recommended budget be balanced.
Balanced Scorecard (BSC)	An integrated framework for describing and translating strategy using linked performance measures, known as KPIs, in four balanced perspectives: Customer, Internal, Workforce, and Financial. The balanced scorecard acts as a measuring system, strategic management system, and a communication tool.
Baldrige Performance Excellence Framework	A national quality award program focused on achieving performance excellence built upon a set of interrelated core values and concepts.

Basis of Accounting	A term used to refer to when revenues, expenditures, expenses, and transfers—and the related assets and liabilities—are recognized in the accounts and reported in the financial statements. The Village of Pinehurst uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.
Benchmark	Performance data from select comparable communities for similar services that are indicative of best practices. This data is obtained from individual community performance surveys or performance reports, state performance measurement projects, or industry standards.
BIRDIE	The acronym for one of the Village’s process improvement methodologies used for significant process improvements. It stands for Bring the opportunity forward, Investigate the opportunity, Review potential solutions, Determine the solution, Implement the solution, and Evaluate the solution. For another informal methodology, see ACE.
Bond	A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayments of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and bridges.
Budget	A statement in dollar terms of the Village’s program of service delivery for the ensuing fiscal year.
Budget Amendment	A legal procedure utilized by the Village staff and the Village Council to revise a budget appropriation.
Budget Document	The instrument used by the budget-making authority to present a comprehensive financial program to the Village Council.
Budget Message	The opening section of the budget that provides the Village Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Village Manager.
Budget Ordinance	The official enactment by the Village Council to establish legal authority for Village officials to obligate and expend resources.
Budgetary Control	The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.
C	
Capital Assets	Assets of long-term character which have an initial cost greater than \$5,000 per unit and are intended to continue to be held or used by the Village, including land, buildings, machinery, furniture, and other equipment.
Capital Improvement Plan (CIP)	A plan for capital expenditures which provides long-lasting physical improvements to be incurred over a fixed period of five future years.
Capital Outlay	Expenditures available for the acquisition of capital assets, including the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment. By Village policy these items must have a useful life of more than one year and an original cost greater than \$5,000 per unit.
Capital Project Fund	A fund used to account for the acquisition and construction of major capital facilities.
Cash Management	The management of cash necessary to pay for governmental services, while investing temporary cash excesses in order to earn interest revenue. Cash Management refers to

	the activities of forecasting cash flows, improving cash availability for investment, and establishing and maintaining banking relationships.
Category	A consolidation of expenditures to measure personnel, operations, capital, contingency, special appropriations, debt services, and transfers.
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
Comprehensive Long-Range Plan	A plan adopted by the Village Council in April of 2003 (updated in 2010 and 2019) that outlines the long-term goals of the Village over a 20 year period.
Core Competencies	The Village’s areas of greatest expertise and are those strategically important capabilities that are central to fulfilling the Village’s mission.
D	
Debt Service	The Village’s obligation to pay the principal and interest of all debt instruments according to a pre-determined payment schedule.
Department	An organizational unit responsible for carrying out a major governmental function.
Department Balanced Scorecards	This is the department’s version of a balanced scorecard. It is the single listing of all approved department key performance indicators and is used to monitor progress of achievement of department goals.
Depreciation	The process of estimating and recording the expired useful life, or diminution of service from a capital asset that cannot or will not be restored by repair and must be replaced. The cost of the capital asset’s lost usefulness is the depreciation or the cost to the reserve to replace the item at the end of its useful life.
E	
Encumbrance	The commitment of appropriated funds to purchase an item or services. To encumber funds is to set aside or commit funds for future expenditures.
Estimated Revenue	The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the Village Council.
ETJ	The acronym used for extraterritorial jurisdiction.
Expenditure	The outflow of funds for assets that are incurred or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds.
F	
Financial Forecast	A five-year projection of budgeted revenues and expenditures, including operating and capital expenditures.
Fiscal Policy	The financial plan embracing the general goals and acceptable procedures of a governmental unit.
Fiscal Year (FY)	The time period designating the beginning and the ending period for recording financial transactions. The Village of Pinehurst’s fiscal year begins July 1st and ends June 30th.
Full-Time Equivalent (FTE)	A measure of the total workload of all employees with 1.0 equating to one full-time employee. For example, a part-time employee that works 20 hours per week would be 0.5 FTE based on a 40 hour work week for a full-time employee.
Function	A group of related programs crossing organizational (departmental) boundaries and aimed to accomplishing a broad goal, or a major service.
Fund	An accounting entity that possesses a set of self-balancing accounts and records all financial transactions for specific activities or government functions.

Fund Balance	Fund balance is the amount of assets in excess of the liabilities or appropriations for expenditures, and is therefore also known as surplus funds.
Fund Balance Appropriated	A budgetary amount representing the fund’s equity to be used to offset expenditures. Fund balance appropriated cannot exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year preceding the budget year.
G	
Generally Accepted Accounting Principles (GAAP)	Uniform minimum standards of and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practices.
GS	The acronym used for the General Statutes adopted by the North Carolina General Assembly.
General Fund	The largest fund within the Village, the General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, and other revenues. This fund includes basic governmental services, such as fire and police protection, finance, public services, general administration, planning and inspections, community development, and recreation.
General Ledger	A file that contains a listing of the various accounts necessary to reflect the financial position of the government.
GFOA	The acronym used for Government Finance Officers Association of the United States and Canada.
Goal	Future conditions or performance the Village intends or desires to attain; what the Village intends to accomplish.
Governmental Fund	Funds generally used to account for tax-supported activities. There are five types of governmental funds: the general fund, special revenue funds, debt service funds, capital project funds, and permanent funds.
Grant	A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block, depending upon the amount of discretion allowed by the grantee.
I	
ICMA	The acronym used for International City/County Management Association.
Inflation-Adjusted Revenue Neutral Tax Rate	The tax rate calculation developed by Village staff that recognizes the cost of doing business has increased since the last revaluation period. The rate is calculated by modifying the traditional revenue neutral tax rate by inflation that has occurred since the last revaluation date.
Initiative Action Plan (IAP)	Specific activity undertaken to achieve a performance target related to a strategic objective.
Interfund Transfers	Amounts transferred from one fund to another.
Intergovernmental Revenue	Revenue received from another government for a specified purpose.
Investment Earnings	Revenue earned on investments with a third party. The Village uses a pooled cash system, investing the total amount of cash regardless of boundaries. The interest earned is then allocated back to individual funds by average cash balance in the fund.

K	
Key Performance Indicator (KPI)	A measure of a program’s output, workload, efficiency, or effectiveness that is used to track operational performance.
L	
Levy	To impose taxes, special assessments, or services charged for the support of Village activities.
Local Government Budget and Fiscal Control Act (LGBFCA)	This act governs all financial activities of local governments within the State of North Carolina.
Long Term Debt	Debt with a maturity of more than one year after the date of issuance.
M	
Maturities	The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.
Modified Accrual Accounting	The accounting approach under which: 1) revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period; 2) expenditures are recognized in the accounting period in which a fund liability is incurred, and unmatured principal and interest on general long term debt is recognized when due.
N	
NC	North Carolina
NCAfE	This is the North Carolina Awards for Excellence program that recognizes an organization’s progress on their performance excellence journey, utilizing the Baldrige Performance Excellence Framework.
NCDOT	The acronym for North Carolina Department of Transportation.
Net Budget	The total amount of revenues and expenditures for the General Fund and all special Revenue funds with the exceptions of the Capital Reserve Fund.
O	
Objectives	A simply stated, readily measurable statement of aim or expected accomplishment. An objective should imply a specific standard of performance for a given program.
Operating Expenses	The portion of the budget pertaining to the daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, materials, and travel.
Operating Fund	A fund to account for operating activities that generally result from providing services and producing and delivering goods. It includes all transactions and other events that are not identified as capital and related financing, noncapital financing, or investing activities.
Operating Transfer	Routine and/or recurring transfer of assets between funds.
Opportunities for Improvement and Innovation (OFIs)	Opportunities for Improvement and Innovation identified during the strategic planning process and classified as evaluations, projects, and Initiative Action Plans (IAPs).

P	
PDCA	This acronym is short for Plan, Do, Check, Act and refers to a quality tool used to improve performance.
Peer Group	Other municipalities in the state of North Carolina with a population between 10,000 and 49,999.
Perspectives	These are the four categories for classifying strategic objectives on the balanced scorecard.
Powell Bill Allocation	Funding from state-shared gasoline tax restricted for maintenance of local streets.
Project Fund	A multi-year fund used to account for the revenues and expenditures of a specified project that only exists until the project is completed.
Program	An organized set of related work activities that are directed toward accomplishing a common goal. Each Village department is usually responsible for a number of related service programs.
Property Taxes	Property taxes are levied on both real and personal property according to the property's valuation and tax rate.
R	
Reclassification	Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.
Reserve	A portion of fund balance earmarked to indicate what is not available for expenditure, or is legally segregated for a specific future use.
Restricted Intergovernmental Revenues	Grants, entitlements, and shared revenues which are recorded in the appropriate fund and classified both by source and function for which the revenues are to be spent.
Resources	Assets that can be used to fund expenditures. These can be such things as property taxes, user fees, beginning fund balance, or working capital.
Revaluation	Assignment of value to all real properties, including land, homes, and commercial buildings by the Moore County Tax Assessor's Office. Under State law, all property must be revalued no less frequently than once every eight years. Moore County revalues its property every four years.
Revenue	Funds which the government receives as income, including tax payments, fees from specific services, receipts from other governments, fines, grants, shared revenues, and interest income.
Revenue Neutral	Is the revenue amount achieved after a property revaluation when the new property tax rate generates the same property tax revenue as the previous year, plus normal growth.
Right-of-Way (ROW) Acquisition	Purchase of property needed by the Village to perform road improvement projects and/or protection of right-of-way for future highway projects.
S	
SHRM	The acronym for the Society of Human Resource Management.
SIPOC	The acronym for a quality tool used to identify all relevant elements of a process, including Suppliers, Inputs, Process, Outputs, and Customers.
SOAR Analysis	A strategic planning method used to evaluate an organization's Strengths and Opportunities, and create a vision of future Aspirations and the Result they will bring.

Source of Revenue	Revenues that are classified according to their source or point of origin.
Special Assessment	A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service, which are deemed to primarily benefit those properties.
Special Revenue Fund	A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.
Strategic Advantages	Benefits that exert a decisive influence on the Village’s likelihood of future success and are the source of our competitive success.
Strategic Challenges	External pressures that exert a decisive influence on the Village’s likelihood of future success.
Strategic Goal	Future condition the Village strives to attain.
Strategic Objective	A readily measurable statement of aim or expected accomplishment; how the Village will accomplish a goal.
T	
Target	The desired achievement level of a particular performance measure.
Tax Base	The assessed valuation of all taxable real and personal property within the Village’s corporate limits.
TOPS	The acronym for Training of Pinehurst Staff; an internal training program for Village employees.
U	
Unencumbered Balance	The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.



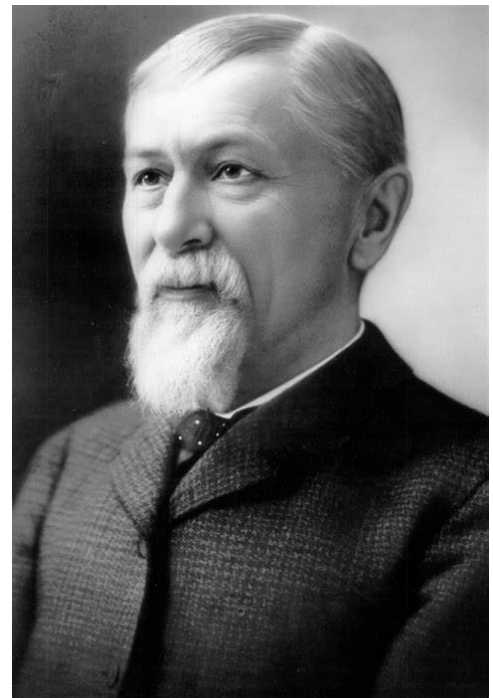


VILLAGE OF PINEHURST HISTORY

Looking for a place to build a health-oriented resort, James Walker Tufts (head of the America Soda Foundation) stopped in the Sandhills area in the spring of 1895. Despite the fact that the area had been almost completely clear-cut by the timber industry, something about this area moved him, and in June 1895, he bought 598 acres of land for nearly \$1.25 per acre and makes up what is now the Village Center.

On June 20, 1895, Tufts contacted Frederick Law Olmsted, the designer of Central Park in New York and the landscape designer of the Biltmore Estate in Asheville, North Carolina, to help him create a first-rate resort. That summer, with the new plan in hand, 450 men began construction on what was originally referred to as "Tuftstown." Tufts selected the name Pinehurst for his resort out of a list of non-winning names for Martha's Vineyard.

On New Year's Eve 1895, the Holly Inn opened its doors and Pinehurst was on its way. Since all of the early buildings of Pinehurst stood on barren land, Tufts hired Warren Manning to plant over 222,000 tree seedling and other plants (47,250 of these were imported from France) around Pinehurst to give the resort the natural beauty we all still enjoy today.



For many years, Pinehurst was a privately held resort under sole proprietorship of the Tufts family. The Tufts family controlled all aspects of the resort and closely monitored all types of activities, including the creation of its first 9-hole golf course in February 1898, and the continued acquisition of more land.



Donald Ross
Photo courtesy of Tufts Archives

Tufts brought in a young Scotsman named Donald Ross to design golf courses, and his No. 2 (originally built in 1902 with only man and mule power and then redesigned by Ross) is still consistently listed among the worlds’ finest golf courses. Donald Ross, the father of golf, was a huge part of our heritage and history, as he influenced many golf course designers such as Peter Tufts and Ellis Maples.

In 1920, a corporate form of ownership was established when a charter for Pinehurst, Inc. was obtained from the North Carolina Secretary of State. Tufts considered incorporating the village as a municipality in 1926, but he felt that a lack of year-round residents and state tax laws would not be able to sustain it.

During the Great Depression, as other resorts began to fail, property owners in Pinehurst agreed to pay more taxes in order to support the resort through the Depression and ensure that it would not fail like the surrounding resorts. During World War II, Pinehurst served as a support area for neighboring Fort Bragg and many servicemen were either residents or visitors.

It was not until 1960 that Pinehurst became a year-round resort with the introduction of air conditioning and swimming pools at the resort facilities. By the late 1960s, however, Pinehurst's days as a paternalistic resort under the Tufts were coming to an end.

Realizing that the resort was 75 years old and in need of significant investment to update and improve the resort facilities, the Tufts heirs sold Pinehurst, Inc., including the resort and approximately 7,500 acres of land, to the Diamondhead Corporation for \$9.2





million in January 1971. It was under Diamondhead's control that the creation and sale of lots with membership rights to the Pinehurst resort facilities began.

Advertisements were placed in newspapers around the country, and people were flown in to play golf and purchase a lot. Lake Pinehurst was created to enhance the residential neighborhood, new recreational improvements were made (including Course Number 6 in the late 1970s), and infrastructure was put into place to support the new development. However, all this activity was not considered to be progress by local residents.

Since Pinehurst was not a full municipality, there were no building inspections, no planning or zoning regulations, and no real means for the concerns of the residents to be acted upon. After several years of debate among residents over whether to seek incorporation as a full municipality or continue to allow Diamondhead to coordinate affairs, it was decided by a majority in 1980 that Pinehurst would function most effectively independently of the Diamondhead Corporation.

In 1980, with a population of 1,746 residents, Pinehurst was granted full incorporation as a municipality and was, for the first time, more than just a privately run resort.

According to the U.S. Census Bureau, Pinehurst had a population of 17,581 people in the year 2020, compared to 14,206 in the year 2010 after adjusting for an annexed area effective March 31, 2010. The 2020 population is a 24% increase from 2010, and the 2010 population is a 61% increase from 2000. Many of these new residents come from across the country, if not the world, to settle in this "village in the forest." When asked what brought them here, many cited ambiance, community character and spirit as their reasons for choosing the area.



Old Diamondhead Logo

DEMOGRAPHIC & GEOGRAPHIC CHARACTERISTICS



With a current population of 17,651, the Village of Pinehurst is an integral part of the economy of Moore County, which is well diversified with significant healthcare, retirement, tourism, retail, agriculture, and manufacturing sectors. The Pinehurst area is largely a service-based economy focused on tourism/hospitality, healthcare-related activities, and retail trade.

Two of the largest employers in Moore County are located in Pinehurst and are service-related: FirstHealth of the Carolinas and Pinehurst Resort. FirstHealth of the Carolinas is a private, not-for-profit health care network serving 15 counties in the mid-Carolinas. Pinehurst Resort, owned by Pinehurst, LLC operates nine championship golf courses in the Village, including the famous Pinehurst No. 2 course (site of the 1999 and 2005 U.S. Open Championships).

Pinehurst Resort also hosted 14 days of championship play in June 2014, with back to back U.S. Open and U.S. Women’s Open Championships – for the first time in history. The U.S. Open Championship will return to Pinehurst in 2024.



The Village also provides other recreational opportunities for residents. The Village acquired the Given Memorial Library and Tufts Archives in FY 2022. The library is unique as it serves as a museum with historic archives connecting both residents and visitors with the history of Pinehurst. The Village owns and operates a 111 acre Harness Track facility, which is used for winter training of Standardbred horses and horse shows at various times throughout the year. The Village has three major parks that include an in-line hockey rink, tennis courts, ball diamonds and concession stands, splash pad, playgrounds and disc golf. The Cannon

Park Community Center opened in 2020 and provides approximately 19,693 square feet of indoor recreation space, including a gymnasium, a multi-purpose room, various classrooms for programs and offices for parks and recreation staff. The Village also has an extensive Greenway System. The Greenway System will eventually connect most of the Village via a pedestrian and bicycle pathway.

Geographic Characteristics

The Village of Pinehurst is located in the Sandhills Region of North Carolina, 60 miles southwest of Raleigh and about 75 miles east of Charlotte. The city spans approximately 17 square miles and is locally recognized as an outstanding residential community and major golf resort. The central location of Pinehurst allows quick and easy access to the beautiful Blue Ridge Mountains and the white, sandy beaches of North and South Carolina.

**Demographic and Economic Statistics
Last Ten Calendar Years**

<u>Fiscal Year</u>	<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (2)</u>	<u>Median Age (2)</u>	<u>Unemployment Rate (3)</u>
2013	2012	14,979	\$ 608,671,665	\$ 40,635	60.6	8.6%
2014	2013	15,150	650,586,450	42,943	60.9	6.3%
2015	2014	15,525	708,033,150	45,606	60.8	5.4%
2016	2015	15,763	778,093,206	49,362	61.1	5.1%
2017	2016	16,123	798,136,869	49,503	61.4	4.1%
2018	2017	16,452	729,679,104	44,352	60.1	4.2%
2019	2018	16,754	771,907,042	46,073	59.3	4.5%
2020	2019	17,100	824,117,400	48,194	61.2	7.3%
2021	2020	17,484	870,143,712	49,768	59.4	4.8%
2022	2021	17,651	922,211,797	52,247	60.3	4.1%

Sources:

- (1) Office of State Budget and Management.
- (2) U.S. Census Bureau.
- (3) North Carolina Employment Security Commission.

Notes:

Per Capita Income is adjusted annually after the Decennial Census calendar year by the annual average inflation rate.
Unemployment rate information is a calendar year adjusted annual average in Southern Pines-Pinehurst area.

**Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	2022		2013	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst LLC	\$ 187,754,812	4.82%	\$ 165,094,503	4.83%
Pinehurst Surgical Clinic	28,766,340	0.74%	23,614,600	0.69%
Pinehurst Medical	27,523,930	0.71%	20,244,470	0.59%
Country Club of North Carolina	25,257,993	0.65%	22,019,470	0.64%
Duke Energy Progress, Inc.	20,705,943	0.53%	12,381,585	0.36%
The Greens at Arboretum LLC	12,449,190	0.32%	-	-
Quail Haven Properties of Pinehurst, LLC	10,218,540	0.26%	-	-
MTMM Associates (Carolina Eye Assoc.)	9,302,210	0.24%	9,634,212	0.28%
Pinewild Project Limited PTNS	8,881,302	0.23%	14,041,942	0.41%
SCOP (Surgery Center of Pinehurst)	6,072,220	0.16%	5,148,450	0.15%
East Lake Development, LLC	-	-	8,162,720	0.24%
Carolina Telephone and Telegraph	-	-	4,323,982	0.13%
Total	\$ 336,932,480	8.66%	\$ 284,665,934	8.33%

Sources: Moore County Tax Department.

Notes: 2022 and 2013 data are for tax years 2021 and 2012, respectively.

Pinehurst, LLC includes: Resorts of Pinehurst, Inc., Pinehurst, Inc., Pinehurst LLC and Resorts of Pinehurst, Inc.

**Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
First Health of the Carolinas (1)	3,720	52.67%	2,677	58.32%
Pinehurst, LLC (2)	1,223	17.32%	1,128	24.58%
Total		<u>69.98%</u>		<u>82.90%</u>

Sources:

- (1) Human Resources Department at First Health of the Carolinas.
- (2) Human Resources Department at Pinehurst, LLC f/n/a Resorts of Pinehurst Inc.

Notes:

2022 employment is based on calendar year 2021.

GASB 44 requires comparative data for the current calendar year and nine years prior. 2010 adjusted Census Data was used for 2013 and 2022 to estimate the percentage of total employment.

